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NEWS SUMMARY

Two die as icy weather grips UK

paralysing grip on Britain yesterday as weathermen warned they could see no immediate improvement in the worst winter conditions

since 1961. More snow is forecast for the East Coast and South Wates today and the whole country will continue to shiver in below freezing tempera-

Early yesterday the lowest mperature ever recorded in the British Isles minus 27C -was equalled at Braemar in the Cairngorms.

The intense cold offered little relief from the chaos caused by widespread caused by widespread hitzards on Friday and Many towns and villages

were still isolated by snow drifts up to 12 feet deep. Road travel was impossible in many areas.
The cold claimed at least two lives. Farmer William Harris, 73, was found dead after trying to feed his sheep in South Shropshire. Police

in Derbyshire, searching for 71-year-old Christina Unwin,

GENERAL

10 Italian terrorist quit as suspects held ACC chief

Police hunting for a U.S. general kidnapped by Italy's Red Brigades arrested 10 suspected. guerrillas, including an alleged leader, in Rome. Page 2

Tatchell backed

Bermandsey Labour Party again endorsed Peter Tatchell as its parliamentary capitals on the eye of lodgy key meeting.

Singapore arrests Ten people, including four opposition politicians, have been detained in Singapore on

es of bladring

throw the Government. Minister in crash Malaysian Foreign Minister Tan Sri Ghazali Shafie is feared dead after his light plane crashed in shipping thick jungle near Kuala Page 3

Blasphemy law

The Archbishop of Canterbury says the blasphemy law should be retained and extended to other religious in response to a Law Commission proposal it be

Assassination bid The brother of Iranian Presi-

dent Hojatoleslam Ali Kha-menet was shot and wounded in Tehran. His two bodyguards

50 found shot

The bodies of 50 people showing signs of forture were found in Guatemalas, San Marcos province. All the victims had been

Police chief stays Supporters of Loyalist leader

In Paisley suffered a setback when Ulster police federation chief Alan Wright withdrew his resignation. Page 4

Holidays Bill

A Bill to protect tourists against inaccurate descriptions of holi-days offered by travel agents will be introduced in the Commons this month.

Briefly ---

(No israi)

المدنو

المرد بينوس المدين المينوار

6.50

Firemen saved three young

Firemen saved three young sisters from their blaxing on European Monetary System exchange rates. The upper grid based on the weakest currency in the death penalty introduced the death penalty (accept the lirs) may more more than for drug trafficking.

Guard at the PLO's Rome office "central rate" against the European was badly wounded when his Currency Unit (ECU) itself a basket of European currencies.

gun went off accidentally.

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AT and T: Ma Bell's \$90bn on Bank and Treasury dissale 18 agreements 19 Poland: inching towards Justinian: a brave new legal Nato consensus 19 world 8

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Monopoly report on Royal Bank rejects both bids missing since Friday, found a woman's body in a nearby

No. 28,670

Walcs was again worst hit by the freeze. Almost 1,000 stranded motorists rescued from the M4 were spending

their third night in special accommodation near Bridg-end. Hundreds of schools

were expected to remain shut

were expected to remain shut until late this week.
Engineers from the Central Electricity Generating Board aided by four helicopters spent the day in West Wales attempting to restore power to more than 1,000 homes which were without heat and

which were without heat and

light. More than 500 workers

were marconed in the British Steel Corporation's Port Tal-bot works, and another 100

The Port Talbot men, who

have been in the plant since Thursday, used mechanical

diggers to collect supplies

from a nearby farm. Steel

production continued at both

plants until yesterday, when it was stopped on safety

grounds because of lack of

Grade may

ASSOCIATED Communica

fion Corporation is expected to issue a statement today on the

future of Lord Grade, its 75-

year-old chairman. He is said

NATIONAL COAL Board shut 10 gills last year, the most

with miners over closures. Coal for 360 years, Page 4

• ROLLS-ROYCE wants to shed 480 jobs at its Hillington plant

near Glasgow, and blames the

SMALL BUSINESSES may

win up to £50,000 as an incen-

tive award in a competition launched by insurance and shipping group Hill Samuel

• THERE was little change in

the European Monetary System last week, with the Belgian

france slightly firmer, but

remaining the weakest member, below the D-Mark and Italian lina. The lack of pressure on

the Belgian currency, and the recent solution of the political

crisis there, allowed a reduction

in the central bank discount rate. The French franc replaced

the Frish punt as the strongest EMS currency.

EMS JAN 8, 1982

ECU

6%-

Miera disente

BUSINESS

MONOPOLIES Mergers Commission has rejected the two £500m takeover hids for the Royal Bank of Scot-

land group.

The Commission has ruled that the proposed merger with either the Standard Chartered Bank or the Hongkong and Shanghal Banking Corporation. would be against the public interest in a confidential report. sent to the Government last month.

The report is now in the hands of Mr John Biffen, the Trade Secretary, who still has the power under the 1973 Fair Trading Act to over-rule the

It would be most unusual for Mr Biffen to reverse the report's findings, but it seems likely that the affair will be on the agenda of Thursday's Cabinet meeting. The commission's findings are likely to annoy several ministries and run counter to the Government's commitment to greater competition in the fin-

The Foreign Office is anxious tions with Hong Kong and while the Bank of England has supported the Act.

and Standard Chartered bid as against that by the Hongkong viously demonstrated its belief If accepted, the report could lead to curbs by foreign governments on UK banks overseas

expansion. The nine-month-long investigation has been among the most complex tasks given the com-mission. From an early stage, it was clear that there were no competitive grounds for ban-ning either bld.

However, the move raised important questions about the legitimacy of the Bank of England's powers to control takeovers in the UK banking system and also touched on important regional issues,

In particular, there were widespread fears in Scotland that a takeover of the Royal Bank of Scotland group-which owns Scotland's largest clearing bank, and England's fifth-biggest clearing bank, Williams and Clyn's — would affect the Scottish economy.

The commission has considerable freedom in determining the that no decision be taken which public interest issues involved could jeopardise Britain's rela- in mergers, although there are in mergers, although there are certain criteria laid down by section 84 of the Fair Trading

The commission has prein the continued independence of Scottish business. In August 1980, it ruled against the acquisition of the Highland Distillery Company by a Canadian company and the Scottish regional issue appears again to have swayed its thinking in the

bank's case. Although there has been considerable uncertainty about the outcome, the majority of City analysts had felt that both bids would be allowed to proceed. The price of Royal Bank shares rose from 87p before the bids last spring to a peak of 202p. But in recent days they have

slipped back to 192p. The commission's findings are likely to cause the Royal Bank of Scotland considerable embarrassment at its annual meeting on Thursday,

The group board has said it should be allowed to merge with Standard Chartered Bank, the partner of its choice. Several influential voices in Scotland have argued that the bank's board has failed Scotland in seeking a merger. There could be calls for directors to resign.

Action in U.S. on steel imports angers EEC

to have been considering step-EMERGENCY MEASURES to EEC's help protect the EEC steel industry against the effects of U.S. anti-dumping suits will be presented to member governments by the EEC Commission

Commission reacted sharply at the weekend to the U.S. administration's announcement that anti-dumping and countervailing duties law suits West European companies will go ahead.

Viscount Etienne Davignon, the Industry Commissioner, deplored the decision and emphasised that EEC steel exports to the U.S. were not responsible for the difficulties of the American industry.

There is an acute danger that the proposed law suits against producers in seven EEC countries will severely curtail European exports to the U.S.—which at the end of last year were running at an annual rate of 6m tonnes—and jeopardise the

delicate efforts stabilise the Common Market steel industry. EEC industry Ministers will

have their first opportunity to consider the crisis at a meding in Brussels on Wednesday. They are expected to discuss what measures can be taken to protect the EEC industry. There were hints at the week-end that the EEC might retaliate against by American steel producers the U.S. through action under the General Tariffs and Trade. Although no details of the

Commission's proposed emergency measures are yet known, it is likely that they will include concerted EEC financial support for steel-makers. Such a move would, however, rein-force U.S. resentment against subsidies to the EEC steel industry which has sparked the

legal action.

The American decision to go to law coincides with the introduction of price increases averaging 121 per cent in the

to EEC steel industry-the latest

. A sharp reduction in exports to the U.S. would lead to EEC steel-makers seeking alternative markets within Europe. It would put restructuring efforts at risk. This could have particularly serious consequences for the British Steel Corporation's attempts to return to profita-bility in the 1982-83 financial

Although Britain is one of in the U.S.

move in a drive to improve profitability and remove Government subsidies

the EEC countries named in the U.S. iaw suits, BSC is satisfied that it is innocent of any dumping allegations. The corporation has recently concentrated on supplying relatively high value products like rail track equipment and tubes, for which there is a shortage of capacity

Editorial comment, Page 18 Sirs steeled for hard fight over jobs, Page 5

Continued on Back Page

THIS IS the first uncensored dispatch received from Christopher Bobinski, our correspondent in Warsaw. since the imposition of martial law, now in its fifth week. Censorship was relaxed at the weekend. Telestill not accepting calls.

By Peter Riddell, Political Editor

MR ROY JENKINS intends to stand in the Glasgow Hillhead by-election. The latest opinion polls suggest he is favourite.

Jenkins

intends to

stand at

Hillhead

Barring any last-minute hic-cups in the local Liberal Party's internal procedures Mr Jenkins will put his name forward formally as Social Democraticliberal Alliance candidate in the next few days and will travel to Scotland for an adoption meeting.
Last night Mr Jenkins met

Mr Chick Brodie, prospective Liberal candidate for Hillhead. and Mr Ken Wardrop, the local Liberal chairman, to discuss the prospects. Mr Brodie will have o withdraw before Mr Jenkins can stand.

The evidence is that Mr Jenkins has a good chance of winning the seat, held by the late Sir Thomas Galbraith for the Tories with a 2,002 majority in the May 1979 general elec tion. This is in spite of Mr Jenkins's disadvantage of not being Sents.

A System 3 poll carried out for BBC Scotland shows Mr Jenkins, for the Alliance, taking a 39 per cent share, compared with 28 per cent for Labour. 21 per cent for the Tories and 12 per cent for the Scottish Nationalists. When Mr Jenkins was not named in the question put, the Alliance would attract 32 per cent, compared with 35 per cent for Labour.

Leading Liberals in London are keen that Mr Jenkins should stand and be back in the Commons as soon as possible. They also privately hope he will become SDP chief in the leadership election this year. The discussions at Hillhead

have been marked by some of the misunderstandings between SDP and Liberals which have bedevilled the Alliance this

cautious agreement The between the partners on the allocation of parliamentary seats will be tested in the next few days when crucial talks are due around London, in the

SDP leaders will be looking for signs the Liberal leadership is willing to support last Thursday's understanding. This was that while Liberals can fight the 50 seats where they have performed best in the past, including the 12 where there are Liberal MPs, the SDP will

Continued on Back Page Whitelaw hits at Tory law and order critics, Page 3

Unions may launch drive to spell out Lahour objectives Back Page

phone services have been restored within towns but not between them, and international operators are Poles despondent as Glemp talks

with Jaruzelski ONLY A FEW people bothered that General Jaruzelski and the to brave the cold and watch a company of soldiers and a small army band go through the traditional Sunday changing the guard ceremony in Warsaw's

Victory Square yesterday. The detachment, smaller than usual, went through its drill at the monument to the unknown soldier in the bitterly cold. square. The crowd which used to watch the ceremony was absent.

The scene symbolised the isolation of Poland's military authorities and points to the lack of hope for the future that many Poles feel.

But a major success for the authorities came on Saturday when Archbishop Josef Glemp, head of the Roman Catholic Church in Poland, met General Wojceich Jaruzelski, head of the military council.

This indicates that the Archbishop has decided to give the military authorities the benefit of the doubt and assumes official assurances that reforms will continue and martial law will be lifted are still valid. mistrust and anger that many people feel towards the authorities at the cutting of basic freedoms and at the suppression of the Solidarity free trade union, there is a risk that the Church's reputation

will suffer as a result of the On the other hand, it can be assumed that before the Church leader agreed to the meeting, he received assurances that action would be taken to alleviate the rigours of martial law and that a return to civilian rule would be arranged.

The Church is sticking to its demand that the authorities start talks with Solidarity and North-West and in Devon and that Mr Lech Walesa, the held by the authorities, be permitted to meet members of the union's legally elected Praesidium.

Few details of the Archbishop's meeting have emerged. The bland tone of the communique suggests to observers that it did not resolve the main

difference The Archbishop took a conciliatory line in a major sermon last week when he came out against violent resistance to the authorities and counselled patience. The assumption is

politicians grouped around him want a return to normal conditions and will work to this end as long as they can show they are not making concessions

under pressure.

Meanwhile, life in the cities became easier yesterday when the authorities restored local telephone communications. The authorities are also permitting a gradual return to work

Nato foreign ministers will ..meet in Brussels today intent on reaching a united front against military rule in Poland. The Europeans and Americans are divided over strategy, however, and Greek reluctance to criticise the Soviet Union or consider EEC sanctions could cause prob-

U.S. Secretary of State Mr Alexander Haig would like to achieve European support for sanctions, but his priority will be to avoid open disarray. His minimum target will be a statement blaming Moscow for the situation in Poland. Back Page

Military regime shows growing confidence, Page 2 Inching towards Nato consensus, Page 19

at the universities. Some activi-ties for final year students have Warsaw closed since martial law was imposed, is due to resume during the last week of this month. At the moment there is no pressure on the university to conduct a purge of students and staff. This was one of the conditions set by the university authorities before they agreed to resume teaching.

However, the authorities have failed to release up to 20 staff and students still interned. University staff have been arguing that it would be easier to contain student unrest if the internees were authorities have hinted of dire consequences for the university if protests break out.

£ in New York

Jan. 8

Spot \$ 1,9025-9055 \$ 1,9195-9210 1 month 0,34-0,29 dis 0,34-0,29 dis 3 months 0,75-0,68 dis :0,78,0,70 dis 12 months 1,00-0,80 dis :1,15-0,95 dis

Wytch Farm revalued at £400m

THE ENFORCED sale of stake as part of a re-organisa- watching developments closely British Gas Corporation's Wytch tion of the gas industry. The Farm oil reserves in Dorset Government is anxious for the could raise more than £400m for sale to be completed by the end

the Government, according to of March, so the cash can go to gas industry figures. This is the Exchequer this financial more than double previous mar-ket estimates, and is based on new drilling information which believ makes Wytch Farm potentially one of the most significant oil discoveries in the UK. The figure has been provided in a memorandum to the Com-

mons Select Committee on Energy, Proven reserves of Wytch Farm are now put at 200m barrels, twice the amount previously indicated. British Gas believes other prospects on the Wytch Farm licence—also part of the sale could boost recoverable reserves to nearer 400m barrels,

The estimates mean Wytch

Farm could match in size some

of the most attractive fields in the North Sea, but with development costs a fraction of those offshore. British Gas, which operates the field co-owns the reserves with British Petroleum, has

been told to sell its 50 per cent

The gas corporation is believed to have told the Energy is almost impossible to meet. Independent consultants, commissioned to look at estimates of reserves and production poten-tial, are not expected to submit their reports until the end of February. British Gas, which has made no secret of its objections to the disposal order. believes it could be late sum-

mer or autumn before the sale So far about 30 potential buyers, including a number of exploration consortia, have expressed an interest in acquiring the assets. But the new reserve estimates and the increase in asset value could restrict the number of potential buyers.

Although British Gas has given the Government an assur-

ance that it will comply with

the disposal order, Ministers are

to ensure that the corporation does not frustrate a speedy sale.
It is understood that British Gas has told the Energy Department it would like to remain as operator for Wytch Farm-perhaps as a contracted company. The corporation has also been Department that this deadline looking at ways of maintaining a minority equity stake in the field, which it found and developed.

In the face of proposed changes in its obligations—including a reduced stake in the oil exploration business—British Gas is laying more emphasis on finding and producing new reserves of natural gas. It is starting a five-well drilling programme in prospective gas pro-ducing acreage of the Irish Sea, near its Morecambe gas field.

The corporation is also conducting an extensive £3m seismic search programme in the gas producing southern sec-tor of the North Sea-part of the most extensive survey of the area since the early 1960s.

Coal for 360 years-NCB Page 5

Move soon on Sizewell inquiry

BY DAVID FISHLOCK, SCIENCE EDITOR

Sizewell "R" Britain's first the new design can save con-Lawson, Energy Secretary, when

Howell, the former Energy drawn up after the original one

THE CABINET is expected to Walter Marshall, chairman of task force has put the project proceed with a public inquiry the UK Atomic Energy back on schedule, this autumn into plans to build Authority, has shown that where The pre-constru

So far, and with considerable

The pre-construction safety

case, a pile of documents over 2 feet tall, has been completed and is being reviewed by the Nuclear Installations Inspectorate and the Health and Safety Inspectors for the Central Electricity Generating

Mr Lawson has been told that the pre-construction safety case should be ready for publication this spring, allowing potential witnesses several months to study it before next autumn, which is the earliest time for the start of the public inquiry. Amersham International to

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nuclear power station using a siderably on capital costs is pressurised water reactor. Its on the non-nuclear side decision on the Suffolk power of the plant. This accounts for station project will be given to nearly 90 per cent of the total the Commons by Mr Nigel expenditure. MPs return next week. Mr Lawson has already been late this year, it can be conbriefed by the task force set ducted without becoming an up last summer by Mr David electoral handicap for the

Secretary, to expedite progress ministers are understood to on the new Sizewell "B" design believe that the project could cost the Government votes at was abandoned last spring for the next election. being too expensive. The task force, headed by Dr top-level

The Cabinet must now decide whether, if the inquiry starts Some senior Government.

U.S. assistance, the come on to market soon, Page 4

Poland's military regime shows growing confidence

appears confident enough to allow a marginal relaxation of martial law, although there is 11 pm until 5 am. will continue.
no sign that Solidarity's suspenactivists released.

But western journalists were cast, although that was one of yesterday allowed to despatch uncensored reports to the West.

Communication within Warsaw and all other provinced cities and all other provinced cities. But western journalists were Communication within Warsaw and all other provincial cities

total ban on private motorists acquiring petrol.

Tanks and armoured cars are been sealed off. less in evidence in Warsaw than during the first two weeks of meet on January 20 to discuss he quotes an official as saying, martial law. From January 15 martial law and other issues. "It's dead."

Pope attacks 'violation of conscience'

VATICAN CITY-Breaking a nine-day silence on the crisis in his homeland, the Pope said vesterday that Poles were being forced to sign declarations which went against their conscience, under the threat of losing their jobs.

The Pope was addressing people in St Peter's Square four weeks after martial law was declared in Warsaw. He said he was quoting from a sermon made in the Polish cepitol on January 6 by Arch-bishop Jozef Glemp, the Polish

"One of the most fundamental rights of man is being violated: the right to liberty of conscience and conviction." he

quoted the sermon as saying. G Floods added to Poland's difficulties yesterday as the December 13 last year. Council, he will be expected River Vistula overflowed its Though the Soviet side is outline the military leaders' banks forcing thousands to likely publicly to treat the talks plans. He may assess how long evacuate their homes, Reuter as routine consultations among military rule is likely to last.

THE POLISH Government now theatres, art galleries, cinemas. It is possible that it will enact appears confident enough to clubs and cultural centres will legislation to place martial law reopen, but the curfew, from Church opposition seems to

will be lifted or its leading be hardening and Sunday mass rists released.

Communication within Warsaw and all other provincial cities has been restored, although it is not yet known whether telephone lines between cities will be open to the general public. The authorities made it clear that lines would be tapped.

Flights between Polish cities and to the West are resuming. Restrictions on travel both for Poles and foreigners within each of the country's 49 provinces are also to be eased, but permits still have to be obtained to cross provincial boundaries. Cars are being stopped and searched less frequently, but there is still a total ban on private motorists

Gdansk strikers in August 1500.

The Government has said that in western the Polish internees distinct with the figures of detainees distinct the Polish the figures of detainees distinct the Polish the Polish the figures of detainees distinct the Polish the figures of detainees distincted the Polish the figures of detainees distincted the Polish the figures of detainees distincted the Polish the Foundation the figures of detainees distincted the Polish The Polis

2,000 workers were arrested in the town of Radom, which has

Foreign Minister arrives for talks with Gromvko

BY OUR MOSCOW CORRESPONDENT

to the Kremlin leadership. The role of the battered munist Party polithuro, he will Polish Communist Party is be expected to outline what likely to figure large in the future the party structure may

Mr Czyrek was met at suggest that the party has been Moscow's Vnukovo Airport by eclipsed by recent events and Mr Andrei Gromyko, the Soviet now has little claim to a lead-Mr Andrei Gromyko, the Soviet now has Foreign Minister, with whom he ing role. will have three days of talks. Czyrek would meet President Brezhnev.

Mr Czyrek is the first highranking member of the Polish Government to call on the tary.

Kremlin since the imposition Although Mr Czyrek is not a of martial law in his country on

correspondent in Warsaw, says there is barely a flicker of life from the party. "What party?"

Brian

on the statute book, thus allow-

ing the military to withdraw to

barracks while maintaining the

Joint military manoeuvres

involving 25,000 troops from the Soviet Union, Hungary and Czechoslovakia will take place

n western Czechoslovalda, near the Polish border, between January 25-30.

Economic figures in Govern-

ment have become more prominent, sgugesting that the

Government is concentrating on economic matters while remain-

It is clear that there is con-

siderable party infighting, lead-ing to speculation that the

Polish United Workers' Party (the official term for the Com-

munist Party) may be dis-banded in its present form and

a new civilian body set up in

Mooney. Reuter's

machinery of martial law.

MR JOZEF CZYREK, the Polish Eastern bloc allies, it is clear Foreign Minister, arrived in that Mr Czyrek will be expected Moscow last night for talks in to give an account of what the which he will give details of Polish leadership believes it has the past month of military rule achieved in the past month. As a member of the Com-

Moscow has indicated that it It was not known whether Mr favours a purged party, streamlined of reformist and liberal elements, which can re-establish its authority and eventually ake back power from the mik-

member of the Polish Military



Mr Nikolai Patolichev

Sanctions warning to West

THE SOVIET UNION has warned western European countries not to join in U.S. economic sanctions against Moscow and Warsaw as this would only harm their future trade with Comecon.

Mr Nikolai Patolichev, Soviet Foreign Trade Minister, said those western European countries which "how to over-seas pressure," risked forfeit-ing their position in Soviet foreign trade.

"Experience shows it is easier to demolish trade relations than to build them up again." Mr Patolichev wrote in the Communist Party news-

paper, Pravda.

He noted that in the 1970s
western Europe had lived in "peace and detente" and had profited from expansion of trade with the Soviet Union and eastern Europe. The hint appeared to be that if western European countries curbed their trade with Moscow, it would affect their political relations with the Soviet

Mr Patolichev said Moscow's economic co-operation was "especially flourishing" with West Germany, France and Finland. There was "progress" in trade with Britain and "positive results" with Switzerland, Belgium, the Netherlands, Sweden and some other countries.

Moscow now conducted 80 per cent of its trade with the West with western European countries, Mr Patolichev said.

Unemployment figures add to pressure on Schmidt

BY STEWART FLEMING IN FRANKFURT

ment is coming under mount. Further rises to close to 2m and its traditional support in ing pressure to take steps to are expected as the winter the trade unions. stimulate the economy and create new jobs following publication last week of unemploy-ment figures for December

Trade Union Federation, shar-pened their attacks on the Government and called for "action not words." Other union leaders said that the coming wage round, which gets under way in carnest tomorrow, when negotiations begin in the metal industry, will be much tougher than expected in view of the deteriorating employment situation.

BY JOHN WYLES IN BRUSSELS

A COLOURFUL and disturbing

picture of inadequate account-

ing procedures, petty extravag-

ance and misguided administra-

tion has been presented in the latest and probably most con-troversial report yet produced

by the European Court of

While the European Commis-

sion is the target of many of

its strictures, some member

Governments will be disturbed

hy the fact that the court has

put the regional and overseas

development policies under scrutiny and found them

Nor does the European Parlia-

ment escape rebuke. Its practice of taking 21 days public holiday a year instead of the

18 enjoyed by the other insti-tutions is regretted and atten-

tion is drawn to the low pro-

In its fourth annual report.

the court shows irritation at the

lack of impact of its criticism.

It says that less than half the

reports have been followed up.

ductivity of its typist pool.

Auditors.

Auditors condemn EEC

cash control errors

The rise in unemployment presents Chancellor Helmut Schmidt's Government with a ment figures for December which were the worst for 28 years.

Trade union leaders including Herr Heinz Oska Vetter, chairman of the West German Trade Union Federation, sharman of the west German their attacks on the Free Democratic.

Leading SPD members have been calling for Government action to fight unemployment, in particular by helping to stimulate investment, while FDP leaders have been digging in against such action especially if it were to be financed

In December unemployment ernment to come up with at reached 1.7m, 7.3 per cent of least some measures to help the the workforce, compared with unemployed will tend to deepen

The report on financial year

1980 will raise the temperature

in the court's running battle with the commission. It claims

that the commission's cash con-

trols contain serious short-

comings. About 100 bank

accounts "appear to escape the

control of the commission's accounting officer," says the

court which is strongly critical

of the failure to make regular

checks between bank balances

It found mine accounts on

December 31, 1980, which had

internal accounts revealed that

just over flm less was actually in the bank. The

commission's cash department

was unable to explain the

The court also found that debts between the institutions

did not tally. The commission accounts said the European Coal

and statements.

difference.

WEST GERMANY'S Govern 6.4 per cent in November, the distruct between the SPD

The state of the s

Moreover, a further protrac ted rise in unemployment, by adding to the sums which will have to be spent on unemploy ment benefits, are, according to some economists, already threatening to undermine the calculations on which the Gov ernment has based its budget plans.

There have been signs in re cent weeks of intense activity aimed at finding some compro mises. Chancellor Schmidt is expected to have another round of meetings with trade union and business leaders next week to discuss economic policy before the Government publishes its annual economic re port. If any action on unemployment is decided on, it is expected to be in the context of that report.

with higher taxes or Govern-ment borrowing. Failure by the SPD-led Gov-ernment to come up with at

Italy's police hold 'terror strategist'

By James Buxton in Rome

ITALY's police have achieved one of their biggest successes for nearly a year against the arrest in Rome of a suspected Brigade strategist and nine other alleged terrorists. In raids on Saturday police

arrested Sig Giovanni Senzani a 39-year-old professor of criminology, at a flat in a Rome suburb. Police said two other hideouts were raided and a large quantity of arms was found, including ground-to-air and other missiles. A mass of documents was seized.

not been reconciled with bank balances and in two of them the Prof Senzani is a former student of terrorism. He is suspected of carrying out the interrogation of Judge Giovanni d'Urso, kidnapped by the Red Brigades but later released last winter. He has also been accused of directing two kidnapping operations last summer. Senzani's capture may not directly assist police in northern and Steel Community owed it Italy still searching for General 6.7m units of account while the James Dozier, the U.S. officer seized more than three weeks observations in its first three ECSC accounts said the debt

to move on Gibraltar

reaction -

THE Spanish Government's decision to reopen the frentier with Gibraltar on April 20 bas been greeted by Spain's political parties and Press with a mixture of caution, relief and, in the case of the extreme Right, strong criticism, Robert-Graham writes from Madrid.

No group has unreservedly welcomed the announcement, underlying the sensitivity of

China reassurance

China has said it acknow ledges the importance of Hong Kong as a free port and not want to see its prosperity damaged, according to Mr. Humphrey Atkins, the British Deputy Foreign Secretary, Kevin Rafferty reports from Hong Kong.

Mr Atkins was speaking in the British colony before leav-ing for South Korea on the next leg of his Far East tour.

Syrian mission

Syrla's Foreign Minister. Abdel-Halim Khaddam, visited Saudi Arabia yesterday to deliver messages from Presi-dent Hafez al-Assad to Ayab leaders in the Gulf. Reuter reports from Bahrain. The messages are believed to be connected with Israel's annexation of the Golan Heistis, captured from Syrin in 1967. Mr Khaddam is to visit Moscow next week

Fears for Minister

Malaysia's Foreign Minister. Tan Sri Ghazali Shafle, was reported missing, feared dead. last night when wreckage of his light aircraft was found in jungle near Kuala Lumpur. Kevin Rafferty reports from Hong Kong.

Singapore arrests

Portugal

in Zambesi

hydro plan

By Diana Smith in Lisbon

THE MOZAMBIQUE GOVERN-

ment has asked Pertugal to

play a key role in the con-struction of a \$600m second stage of the Cabora Bassa

hydro-electric scheme on the

Zambesi, in spite of the fact

that the financial headaches

of the trouble-plagued first

stage have yet to be resolved.

Senior Mozambique and Portuguese Government offi-

cials met in Lisbon for three

days last week in an effort

to help

Ten people have arrested in Singapore for allegedly seeking to over-throw the Government "through use of arms." Kathryn Davies reports from Singapore.

WORLD TRADE NEWS

U.S., Japan begin talks to end air routes dispute

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE U.S. AND JAPAN are to and Japanese airlines - with hold four days' talks in Tokyo Japan claiming that the existing from today aimed at breaking 1952 arrangement is baised in Mr Trudeau, accompanied by the deadlock on how trans- favour of the U.S. Pacific air services between the

The talks follow imposition by the U.S. in mid-December of salictions against Japan Air Lines (JAL) (including a requirement that JAL file information on its existing and proposed flight schedules to the U.S. Civil Aeronauties Board). Japan responded with " countersanctions" just after Christmas. and is said to be ready to take more measures if necessary.

The immediate Issues at stake is Japan's refusal - which it claims is legitimate under terms of the present U.S.-Japan are transport agreement-to grant approval to an application by United Airlines to start a trans-Picific il service between Seattle and Tokyo, More fundam ntal is a profound difference of view between the two govern-ments over the distribution of the U.S. West Coast to Latin flying rights between American America)

powers.
The agreement, between the

American International Group

in New York and Ingrosstrakh.

the Soviet state insurance con-cern, and Intourist, the national travel bureau provides

insurance mainly for North and

such American travellers to the USSR. This includes cover

home. It also includes prompt, trouble-free medical attention.

for baggage loss, trip cancella-major U.S. tion or the costs of flights continuing.

Travel insurance scheme

with Russia implemented

A TRAVEL insurance arrange- tion in Afghanistan, after which ment between the U.S. and the the tourist trade between the Soviet Union, originally pro- Soviet Union and the U.S. fell

The package was designed to share of the premium income appeal to U.S. package tour on the travel cover issued, has

operators, enabling Ingrosstrakh given no indication that they and Intourist to settle travel want to pull out of the agree-claims which arose in the Soviet ment, or wish to change the

following the Soviet interven- insurance companies

The proposals were shelved receive commission from both

countries should be ment to seven U.S. Alight the chairman of Momic Energy the Canada. comes to Mexico York. Los Angeles. San just three weeks before tenders are due in for a nuclear power are due in for a nuclear power.

airlines some \$250m per year.

as U.S. airlines operating out of station at Luguna Verde with Tokyo are allowed to fix to a conscient of 2,300MW. The another five points. U.S. pirling. The decision will be announced enjoy further rights to sell at the end of the year. tickers and pick up passengers. The contract is being both between Tokyo and other presued by seven communies forcian destination they may from the countries among choose to fly to Japan's only them U.S. General Electric and right of this type is from New York to Europe—a route which JAL is not interested in serving 20,000MFW of nuclear capacity at the moment. Something the pear 2000 is worth over at the moment

JAL claims U.S. cirimes carry. 300,000 passengers per year (in winner of the first contract cluding \$0,000 Japarese) on stands a mod chance of transpacific routes that are developing the entire proclosed to Japanese cirilines and that beyond routes carn U.S. It its demanded a specific list of beyond rights for itself

Soviet Union as a result of the worsening political climate, but

said the arrangement remains in force, with negotiations with major U.S. tour operators

Ingresstrakh, which under the

agreement will take an equal

Trudeau leads drive for nuclear deal MR PIERRE TRUDEAU, the Canadian Prime Minister, arrives in Mexico Wednesday for a three-day official visit during which he will make an all-out drive to try to win a contract, warth over \$2bn, for the first stage of Mexico's massive nuclear power programme. a group of 20 top businessmen. JAL is confined by the agree- including Mr Robert Despres,

Mexico's President José Lopez-Portillo

prevised by seven companies from the complete companies Canada is bending over backwards to offer what it considers Mexicols programme to install to be the best terms for the transfer of technology and financing, over which there is bound to be a battle.

"We will match anything which rival companies put up." developing the entire prosaid a senior Canadian official. Canada is efficient its Canda. Canada has a new special fund to provide aid financing for mixherery water system, the only to provide aid financing for mix-one based on natural or opposed ling with normal export credits.

to enriched uranium.

The two countries have Atomic Energy of Canada is developed a strong commercial prepared to put its industriate and political relationship over the service of Manica, since its the past three years. Mr long-term health depends to an Trudeau's meeting with Presiimportant decree or winning dent Jose Lopez Portillo will the Mexican contract. be the fourth in a year.

The two men chaired the recent Cancun north-south summit on World Economic Development and also met President Reagan together last Mexico and Canada are also co-operating on a U.S.-inspired

William Chislett reviews prospects for improved Canada-Mexico trade ties

plan to develop the Caribbean basin, although nothing has come of it so far since Mexico has taken objection to Washington's attempts to use the scheme to exercise political control over the area. Two-way trade has rupled in three years to \$1.5bn

in 1981, largely because Canada now receives 50,000 b/d of Mexican crude, and the big five Canadian banks have become very aggressive in lending to Mexico. Their total exposure in Mexico is estimated at U.S.84bn. Conada's main exports powder and vehicle parts.

Last year. Mexico exports to Canada stood at 3905m while imports were \$620m. This compares with Mexican exports of \$158m in 1978 and imports from Canada valued at 8197m.

joint ventures in Mexico, although their investment is stare a border with the U.S., still small. According to the Mexican Industry Ministry, fluence of Uncle Sam strongly Conadian investment totalled S130m, or 1.7 per cent of the with Washington. total foreign investment, at the end of 1950. Canada is one of five priority



Pierre Trudeau

countries for Mexico in its to Mexico are newsprint, milk stated policy of moving away from heavy dependence on the

> Canada, for its part, wishes to develop stronger Third World links and views Mexico, with massive energy resources

> The two did not take part in the economic blockade of Cuba

Canadian componies have 130 potentially lucrative market.

introduced by countries in the in the U.S.

region after Castro's 1959 revolution. To the annoyance of Washington, both enjoy excellent relations with Havana today. Since 1979, relations between Mexico and Canada have taken

off after a long period of polite but rather bland ties. Their increased importance now can be judged from the large new hexagonal-shaped Canadian embassy in Mexico

City built last year at a cost of \$7.5m and which Mr Trudeau will inaugurate.
The old one was on two cramped floors in a high rise

office block Oil, of course, has changed the balance of trade between the two countries in Mexico's favour. Canada's trade surplus with Mexico in 1980 of \$90.5m

was turned into a deficit of \$285m last year because of Mexican crude shipments. But unlike Mexico's other oil clients. Canada is nearly self sufficient in oil and is not a long-term market. This could hamper Canada's business pros-

pects in Mexico. Canadian officials are aware of this and to compensate for the stopgap nature of Mexican oil imports they are already encouraging Mexico to boost non-

oil exports.
One plan being considered is for Mexico to sell its traditional fruit and vegetables direct to Canada and bypass middlemen

to resolve the future of the scheme, which is burdened by \$615m in outstanding debt and, at the same time, has been hit by repeated sabotage Some 97 per cent of the output of the 2,075MW power station, located in the northern Mozambique province of Tete, is sold to South Africa. because of a contract agreed when Portugal was still the colonial power in Mozambique. However, in 1981 only half the potential output of the plant could be exported because of sabotage to the 900-mile power line by guerillas belonging to a move

bique Resistance.
The problem for Portuga. is that it remains responsible for the outstanding foreign loans incurred, but it is losing money on the project, both because of the interruptions in sales, and the low price being paid by the Sout African Electricity Suppl Commission.
Following this week's talks

ent calling itself the Mozarr

between Sr Walter Marques. the Portuguese. Finance Secretary, and Sr Abdul Magid Osman, Mozamblque's Energy Secretary, officials of the Cabora Bassa company are likely to make a new trip to Pretoria in an effort to ye Pretoria in an effort to re-negotiate Escom's payments.

Honda signs production deal with China group HONDA MOTOR has signed."
a technical collaborals agreement with the Jighte Machine Factory in Saing province, China, on mare cycle production, Richard to

FINANCIAL TIMES, published except Sundays and holidays. subscription rates \$365.00 per control Second Class postage paid at his york, N.Y., and at additional mailing

Hanson writes from Te

SHIPPING REPORT

Framatame of Frince.

\$50bn in current terms

Cold snap may help coal prices

BY ANDREW FISHER, SHIPPING CORRESPONDENT

announced by President Reagan. | upturn in shipping rates for that The American International commodity. Group's Soviet specialist Mr. Daniel Rishik expects a drop in the U.S. tourist trade to the

But with world dry cargo and tanker rates still becalmed and with no sight of an early improvement most shipping brokers concentrated their attention on the market ravages suffered in 1981.

In some key trades, said UK Matheson (Chartering), dry West Germany cargo freight rates were down by more than 45 per cent last France
year. The coal toom, with taly
frustrating queues of ships in Netherlands Hampton Roods and other parts of the U.S. east coast carry last year, gave markets an artificial terms arranged. Intourist is to boost With the advantage of hind-

sight, added Matheson, however, !

posed prior to the Moscow sharply. But the companies of shipping markets last week shelved, has now been implemented despite the superbowers.

Soviet Onion, originally proposed prior to the Moscow sharply. But the companies of shipping markets last week boom did long-term damage to arrival of many of these on the was that the spell of bitter cold despite the recent trade same weather in Europe might boost tons against the Soviet Union and tead to an announced by President Reagan. I under in shipping markets last week boom did long-term damage to arrival of many of these on the despite the recent trade same weather in Europe might boost of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the despite the recent trade same weather in Europe might boost of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the despite the recent trade same weather in Europe might boost of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the despite the recent trade same weather in Europe might boost of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the market because it triggered of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the control of a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the market because it triggered of a spate of orders for Puncture in the coal consumption and teach to be a spate of orders for Puncture in shipping markets last week boom did long-term damage to arrival of many of these on the same in the coal coal consumption and teach to be a spate of orders for Puncture in shipping markets last week boom did long-term damage.

-World Economic Indicators

RETAIL PRICES

(1975=100) % change GYCT Previous Sept '81 Nov '80 year Nov '8! Oct '81 227.7 225.3 223.3 203.3 12.0 131.2 123.7 6.5 195.7 194.0 193.7 171.3 14.2 270.4 265.9 261.4 228.8 12.2 146.7 138.0 7.6 Belgium 151.1 149.6 149.0 140.2 774.1 173.6 173.2 152.9 9.6 146.0 146.0 145.5 140.5 3.9 Source (except Japan): Eurostat.

Foreign exchange loss feared for Zimbabwe

BY OUR SALISBURY CORRESPONDENT

with South Africa was renewed, according to the Confederation of Zimbabwe Industries (CZI).

A CZI analysis prepared at Government request states that failure to renegotiate the pact jobs in manufacturing industry.

Deterioration

Last year, following a sharp deterioration in political rela-tions between Salisbury and Pretoria, South Africa an-nounced it intended to terminate the 17-year-old agreement appear that Zimbabwean exnext March 31. Under the porters are likely to be priced

ZIMBAEWE could lose more from Zimbabwe, particularly than Z\$50m (£35m) a year in clothing, textiles, footwear, foreign exchange unless its radios and furniture, are given preferential trade agreement preferential entry into the South African market.

> South African officials said last week that Pretoria was 'prepared to negotiate" a new deal, but Zimbabwe's Trade Ministry said there had so far been no significant contacts on

> The CZI report said a lapsing of the trade pact would effec-tively add a 7.5 per cent surcharge on exports to South Africa, Zimbabwe's principal trading partners.

"In many instances it would agreement manufactured goods out of the market," it said.

Perhament for improving Mr Kiln's criticisms are that if regulation within the insta- the Bill: a Ree Interket

Monday January

44 ...

Mr Robert Kiles who resigned om the Likyti's committee at te end of lest year over policy frences and a lack of openan and two deputy dissigned.

Lioyd's were elected has told

Peter Green, Lloyd's chalan that "in my view the Bill
is not in the best

China it is is not in the best.

the derests of Lloyd's.

Lis comments have come just dis comments have come in the days ahead of a rare termal by election, to be held its Wednesday for the vacancy neithe committee which he has should not require segregated reated. In one of the biggest electorates for hiture elections area of political in-fighting, to the making council. ist two candidates are running

remember of for the election—Mr Ian Pose rating committee of Lloyd's gate, the controversial under-London has educated the Bill writer, and Mr Peter Daniels.

> • Gives too much power to the Lloyd's committee and a new roling council, created by the

• Does not set out the fundamental principles of the re-lationship between the council and the members of Lloyd's. Is wrong to require mandatory sales of Lloyd's insurance brokers' shareholding links with underwriting management

cates. On the proposed segregated cies).

agency companies—the groups

which run underwriting syndi-

Kiln, who heads a leading inde pendent Lloyd's underwriting agency, feels it is wrong, as proposed by the Rill, that only working members of Lloyd's will be able to vote for other working members on the new council. Non-working members, who account for about three quarters of the 20,000 member

ship, will be able to vote only

for non-working members on

vacancy, Mr Ian Posgate, who underwrites for the largest syndicate at Lloyd's, is running director of Lamber Brothers (Underwriting Agen-

the council. He believes all Lloyd's members should be able to vote for both classes of members in a single selection. In the election for the Kiln against Mr Peter Daniels, man-

Co-op Bank and Society in dispute

BY WILLIAM HALL BANKING CORRESPONDENT

OSTOMERS of the Coopera-Night be Bank in Ekeston, Derbyhere, could soon be without by local banking facilities. idditions a dispute between the scal relation cooperative society nd the Manunesus was which perates one of the bank's dandybanks in its store inand the Manchester based bank.

ended to introduce today a 30p charge for customers cashing heques outside normal banking

The Co-operative Bank, therefore, has wishdrawn the cashier normal shopping hours society's agency agreement to it says it cashes 6,000 cheques clearing banks brane operate a Handybank taken a week and provides facilities in the early afternoon.

to remove bank stationery. The local Co-op says the bank does not pay it enough to offer full banking facilities outside normal hanking hours. It intended to recoup some costs by imposing a charge.

cashed and £1.50 per £1,000 of turnover. The local society employs four cashiers and a banking supervisor. It says the Co-op Bank commission paid

down the bank's sign, and plans for 1,000 Co-op bank customers in Ilkestone. The society has 24,000 members in the area and feels these are subsidising provision

of banking facilities. The Co-operative Bank is one of the smallest and most aggres The banks pays likeston sive banks in the retail banking cop for every cheque market. Although it has only about 70 branches, it has effective national coverage through its network of 1,000 in-store

Handybanks in Co-op stores. In addition to providing standdoes not cover wages for one and facilities they stay open in normal shopping hours, whereas the says it cashes 6,000 cheques clearing banks branches close

State industry borrowing proposal

tob

in Zu

capital investment by national it says British Telecom would lised industries without imposing extra burden on public horrowing has been suggested by the Institute of Directors. Treasury the institute proposes Treasury the institute proposes loans, the institute argues, pationalised industries to pationalised industries could hillowed to borrow from the borrow more without adding to Privatisa public through issues of securities public sector borrowing industries that which are only parally requirement which neight even through a securities; be restricted by the Comment tors, 116, be used to post their seeming bound guarantee a £100 stock SW1; free.

be an appropriate candidate for

such borrowing. By lowering the Government guarantee from the 100 per cent conventionally in force on such loans, the institute argues,

A. NOVEL way to increase on capital investment projects, only up to 270. This would entail a pantial disclaimer of Government responsibility for repayment.

> The non-guaranteed portion of the borrowing would be excluded from the public sector borrowing requirment.

Privatisation of nationalised industries — private financina through partially guaranteed securities; Institute of Directors, 116, Pall Mall, London

Whitelaw hits at Tory law and order critics

By Our Political Staff

WR WILLIAM WHITELAW the Home Secretary, tonight criticises some members of the Conservative Party for seeking quick and easy—and unworkable - solutions on law and order issues.

Speaking on the Tyne Tees programme "Briefing," which is to be broadcast tonight, Mr Whitelaw also confirms his intention of bringing proposals before Parliament in the next few months to amend the existing police complaints procedure.

Mr Whitelaw explained why he looked uphappy after the Tory Party conference debate on law and order in October when he was beckled by some in the audience. "What I felt distressed about was that on television my own party were trying to act with slogans in an area which does not permit the use of slogaus.

"They were taking easy solutions in an area which requires a great deal of hard work from a great many sensitive and sensible people right throughout the law and order services. They (the problems) about capital punishment and corporal punish-

"Those are just slogans and they won't solve the complex problems in themselves and

Regarding the existing police complaints procedure, Mr Whitelaw says "we have all got it wrong and we have got to change it." He feels that the present system is "far too bureaucratie" and says he is working "towards a system with some independence for the most serious cases while minor cases could be handled by old-fashioned conciliation.

He says he will try to get "the maximum amount of agreement" within the next few months, and put "proposals to Parliament giving the best deal we can get with all the conflicting pressures."

Mr Whitelaw concedes that one of the present problems is that young policemen are put on the streets with too little experience of how to talk to people.

"It is not easy, particularly when confronted with some rowdy mob, to be nice them and try to reason with

De Lorean onto three-day week amid talks on credit guarantees

working today while negotia- bank guarantees. ions continue with the Export Credits Guarantee Department De Lorean would continue to for a \$60m to \$70m (£31m to seek further private investment, £36m) credit guarantee line to ease working capital and cash flow problems.

Negotiations on such guarantee-the lack of which is described by Mr John de Lorean, the sports car company's chairman, as "the biggest problem facing the company "-are understood to have reached a critical stage.

Mr De Lorean yesterday denied that, following the indefi- 400 to 200 a week is attributed nite postponement of last week's partly to the Sealink ferry planned \$12m share issue in the U.S., he was seeking to sell off

DE LOREAN'S Belfast car Government has put up nearly assembly plant starts three-day £80m in loans, grants, equity and

He confirmed, however, that possibly through a partnership.

The Government would welcome such a move, subject to satisfying itself about the bona fides of any partner. It has been an integral part of the agreement signed in 1978 that De Lorean would use its best endeavours to bring further private financing into

operation, While the decision to halve car output immediately from strike which is holding up component deliveries, there are two the company, for which the UK more fundamental reasons.

The first is a fierce recession in the U.S. new car market the worst for many years which has rendered De Lorean's first year forecast of 20,000 sales optimistic. The second is the current constraint on De

Lorean's export financing. This is currently carried out under a private arrangement at commercial rates with Bank of Ameica and is operated on a \$30m ceiling.
An ECGD guarantee arrange-

ment holds out the advantage of both the prospective higher ceiling and interest rate subsidies under which export finance can be obtained at a slight margin over base rate,

With it, De Lorean believe it should be able to survive until the expected U.S. car market upturn in the spring

again, the problems of uneven economic development within

The UK, in particular, could

secure a marked improvement

simply by reversing present Government policies, which

have caused industrial collapse,

the report says. But Britain

faces strict limits on how far it

policies or improve its trade

performance through devalua-

tion or other means. This is

because of the likely reactions

of other EEC governments and

the inflationary repercussions of

Cambridge Economic Policy

Review: Gower Publishing Co.

Gower House, Croft Road, Aldershot, Hants GU11 3HR. £8.

exchange rate depreciation.

pursue expansionary

the Community would remain.

£150,000 for small businesses

Prizes of

By Tim Dickson

COMPETITION with one of the biggest-ever pots of prize money for smaller businesses is launched today by Hill Samuel, the UK merchant banking, insurance aid shippink group.

To mark its 150th anniversary Hill Samuel is providing £150,000 in a number of incentive awards to encouraged the growth of small manufacturing companies.

The awards will take the form of unconditional cash contri-butions to the capital of businesses that can demonstrate the best growth potential, technical innova-vation, management skills strate the best and how the impact of the prize money would accelerate

expansion. The winning company will receive £50,000 with the remainder distributed among four others at the discretion of the judges.

The panel will be headed by Sir Michael Ewardes, chairman of BL, and will include Mr Ian Hay Davison, managing partner of accountants Arthur Anderson; Sir Ernest Harrison, chairman of Racal: Mr John Raisman, chairman of Shell UK; and Sir Graham Wilkins, chairman of the Beecham Group.

We thought it would be appropriate to mark our 150th anniversary in the City with an incentive award that we hope may bring out and spotlight the business talent so necessary to industrial recovery." Sir Robert Clark, chairman of Hill Samuel and a member of the judging panel, said yesterday.

To be eligible for the award a company must be in manufacturing, independent, British, at least two years old and have an annual turnover of less than £2m. The awards are being organised

with the assistantce of the London Enterprise Agency and its regional counterparts. Application forms are available from Hill Samuel Group "Anniversary Awards," 100 Wood Street, London EC2P A2J, or any of the enterprise agencies. Closing date is March 31, and the results will be announced on October 27 Men and Matters, Page 18

EEC jobless 'will hit 13m by 1985'

BY DAVID MARSH

DEPRESSED economic growth cost of fuel imports. Instead of markets started to expand and the large number of young allowing oil prices to rise sufmarket will ensure that unem- action to ease energy shortages. ployment in EEC countries will they have held down demand continue to rise well into the for oil by adopting restrictive 980s, according to a gloomy polices to curb growth. Cambridge University report on the outlook for the Community, about the chances of economic By 1985, 13m people, or 12

cent of the labour force, could be out of work in the • High government borrowing of Department Applied Economics—says unemployment could rise to 15 per cent or more in the worst affected to encourage new energy supcountries—the UK, Belgium and

The report argues that EEC governments have exacerbated price rise. the recession by adopting the

BUSINESS failures last year in

nity, the credit insurance com-

clothing businesses and in

furniture

pany.

ficiently to stimulate effective

The report is pessimistic recovery. This would require, it

The report-from the as the necessary counterpart to surpluses in the Organisation of Petroleum Exporting Countries; • Increases in the price of oil plies and fuel savings: Much more aid to low-income

countries worst hit by the oil Even if energy problems wrong approach to the increased could be overcome and export

More distribution business failures Trade Indemnity suggests a retail and wholesale distribu- clearer picture of the severity tion were 27 per cent up on of the recession emerges from

those for 1981: In that case, engineering and upholstery trades they rose 17 metals shows a 130 per cent per cent. In contrast the in- jump, textile and clothing 129 crease in failures in textile and per cent, retail and wholesale distribution 124 per cent and engineering and metals, at 7.4 furniture and upholstery 110

fied failures in 1979 against

1980, according to Trade Indem- comparing the number of noti-

and

more gradually than the staple manufacturing industries so the 1981 figures reflect a catching-

" Unfortunately, for the furniture sector (which weathered the first part of the recession better than most other sectors). it looks likely that the catchingup process will continue.

"The last quarter of 1981 shows a 42 per cent increase and 7.1 per cent respectively, per cent.

"These latter two sectors felt in failures compared with the same quarter of 1980," Trade average increase for all sectors. the effects of recession later and

IT PAYS TO LISTEN.

Columbus ideas fell on deaf ears or years before Queen Isabella mally chose to listen.

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BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE MARKET for companyowned helicopters for executive use in the UK is growing despite the recession.

According to Mr Robin Keith, managing director of McAipine Helicopter, one of the biggest helicopter operators and distributors in the country, this expansion is likely to continue during the

coming year. "Operators and distributors like ourselves have been waging a major campaign over the past few years to demonstrate that today's helicopter, applied to the company inventory in much the same way as any item of capital investment, can really demonstrate its value.

"We now have companies operating one or more helicopters who achieve utilisation figures unheard of several years ago, and for whom their belicopters are an indispensable part of their efficient operating pattern, he said at the weekend. Civil Aviation Authority

figures show 558 civil heli-

a rise of 38 over the previous two years. Most of these are owned by companies. In the U.S., the use of helicopters by companies is growing at about 30 per cent

copters on the UK register,

year, and out of the top 1,000 companies in the Fortune magazine list, 12.8 per cent of all organisations owning aircraft included helicopters in their fleets.

McAlpine Helicopters last year achieved sales of £3.5m. its best performance, and is now negotiating further orders, especially for the French-built AS 350B Squirrel single-engined aircraft and the Dauphin SA-365N 6-8 seat twin-engined helicopter.

Westland Helicopters last week delivered the first of a new breed of civil helicopters, the 16-passenger W-30, to British Airways Helicopters, which may eventually buy a fleet of up to 20.

The introduction of the experimental City Helistop, on a floating platform on the

Thames at Trigg Lane, close to Southwark Bridge, has improved helicopter facilities for City businessmen.

Mr Keith says flying time to the central Paris heliport at Issy-Les-Molineux is about 1 hour 20 minutes, with no check-in delays and minimum Customs formalities -

figure not achieved by any other form of travel." The Trigg Lane Helistop is being run under the auspices of the British Helicopter Advisory Board, which represents manufacturers, operators and distributors, and is intended to promote and exploit rotary-winged air-

Rolls-Royce **cuts 480** jobs at Hillington

ROLLS-ROYCE is to cut 480 jobs at its Hillington plant near Glasgow, it told union representatives at the weekend.

The Hillington works, which has a workforce of 6,000. makes components for Rollsaero engines, including the RB-211. The company blamed the general recession in the aircraft industry for its

It said 360 shop floor and 120 staff workers would be required to leave. The company hoped to achieve these reductions by voluntary redundancies.

The cuts, which come on top of 500 jobs lost last year in Rolls-Royce's Scottish group, had nothing to do with a fourweek dispute late last year over new work schedules.

Rolls-Royce's other Scottish plant, at East Kilbride, which overhaul aircraft engines, is not

Mr Tom Dougan, regional organiser for the Engineering Workers Union, said the Rolls-Royce workers would get union backing if they wanted to save their jobs. Voluntary redundancies were the same as compulsory redundances when there were no other jobs to go to, he

Rolls'Royce has been hit by Lockheed's decision to stop building TriStar airliners, which are powered by the RB-211. tary, had stolen some good ideas

Industrial training plans face a union hurdle

been able to retain the trade union support crucial to its hopes of successfully reforming industrial training.

Engineering employers and union leaders will meet on Thursday for talks which will nelp determine the prospects for reform in the engineering industry where a restructuring of the apprenticeship system is pro-

The following week the TUC's employment policy and organis-ation committee will consider the Government proposals as a

whole.
Mr Bill Keys, the committee's chairman and a member of the Manpower Services Commission, has warned that the committee would have to consider whether the TUC should withdraw its support from the Government's entire New Training Initiative. Union leaders have until now endorsed the central objectives of the initiative—to reform apprenticeship and adult training and to introduce a new approach to vocational preparation—even though their achieve-ment in some industries will involve industrial relations complications.

They have been angered by Government decisions to abolish 16 of the 23 statutory industrial training boards and set training allowances for young people at about £15 per week.

Mr Keys said Mr Norman Tebbit, the Employment Secre-

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THE GOVERNMENT will dis-cover this month whether it has reforming training and "introreforming training and "intro-duced his own prejudiced thinking" into them.

The Government had failed to explain how, without statu-tory underpinning, sufficient resources would be found to run an effective training system. Its approach to allowances for youth training was unjustifiable. There is some concern among employers that union leaders

may withdraw their support from the New Training Initia-Thus Mr Ian Kelsall, director for Wales of the Confederation of British Industry, has said the Wales TUC seemed set on withholding its co-operation. He appealed to union leaders to stop and think before opposing

the proposals. Quite apart from decisions taken by the TUC later in the Thursday's meeting the Engineering Employers Federation and the Confederation of Shipbuilding and Engineering Unions will be of particular importance.

Engineering is a vital testing ground for training reform—it has suffered some of the most marked shortages of skilled workers during previous periods of economic upturn and apprentice intake this year is the lowest on record.

Previous attempts to restructure engineering apprentice-ships on the basis of standards rather than time-service, as pro-posed again in the New Training Initiative, have been un-

Recent efforts by employers to reopen talks on the subject have been hampered by union anger over the abolition of statutory training boards, even though the Engineering Industry Training Board is one of those being retained.

Engineering employers have told training board officials that, with the industry destined to meet the full costs of the board, they want it to concentrate on basic-skill training and withdraw from activities like management

Agents doubt short-term investment in property

A REPORT casting doubts on short-term attractions of commercial property as an investgents and surveyors.

Ellis says that, after a year of falling tenant demand for all types of properties, the reduced level of market activity is expected to persist until economic conditions improve. It believes that this is unlikely before the autumn. In the meantime, available commercial floorspace will continue to increase. especially in non-prime locations.

of property investments must now be considered expensive when set against the prospects for rental growth over the next 12 months, and when compared to other forms of investment.

But the report emphasises that, if prime property can now be generally considered as too expensive, it may in the past have been too cheap and is only now achieving "an appropriate degree of parity."

It continues: "One sector of the overall investment market cannot be expected to out-perment option is published today form all others in perpetuity, by Richard Ellis, the estate and this seems likely to be the case for property in the short-term. With positive 'real' rates continuing in financial markets, both gilts and equities are likely to produce better results than property at its present yield levels over the next years".

> Ellis predicts that as a result, the property investment market will be "subdued rather than depressed" in 1982.

> The agents suggest that prime property yields, now at historically low levels, could ease marginally in the months ahead. The opportunities to purchase suitable investments remain insufficient to absorb the weight of money overhanging the market and any capital appreciation will therefore be provided by rental growth.

United Kingdom Property. Richard Ellis, 64 Cornhill, Lon-

Resignation withdrawn

MR ALAN WRIGHT, chairman of the Northern Ireland Police Federation—representing ranks below superintendent in the Royal Ulster Constabulary—has withdrawn the resignation which he tendered last week because of "political interference" in the federation's activi-

ties. His decision represents a setback to hardline supporters of toyalist leader Ian Paisley who were seen to be using the federation to undermine the position of Sir John Hermon, the RUC Chief Constable.

Mr Wright decided to stay on after the federation's central committee unanimously passed vote of confidence in him at a specially convened meeting on Saturday.

The committee said the whole RUC felt that Mr Wright should return to the job he had held for six years. He had resigned last Monday

saying he would not allow the RUC or the Chief Constable to be discredited. This followed the leaking by Mr Paisley of Minutes of a controversial federatiton meeting.

360 years of coal reserves left-NCB

By Martin Dickson, Energy Correspondent

THE National Coal Board has issued a fresh broadside in a long-standing dispute over Britain's coal supplies with a declaration that the UK probably possesses 45bn tonnes of recoverable reserves. That is the equivalent of 360 years' production at current rates.

The estimate comes from Mr Ken Moses, who until recently was in charge of the NCB's development of major new mines. Writing in Coal and Energy Quarterly, he says NCB geologists estimate that Britain contains some 190bu tonnes of "coal in place" coal actually in the ground. He adds that it would be

reasonable to expect that 45bn tonnes of that could be recovered over time—provided the mining engineer was not denied access to attractive areas of coal. The 45bn figure has been

used by the NCB for several years. But it has been attacked by some other energy analysts as presenting an over-optimistic picture of the UK's self-sufficiency. The crities have argued that many of these reserves will not be economic to exploit.

Mr Moses acknowledges that coal is worth recovering only if customers can afford to pay for it. But he expects that the lower cost of new mines will mean that the average tonne of UK coal will still be able to "command a market.

He argues that much of the argument over the accuracy the 45bn tonne figure is mewhat irrelevant. Certainly there is no serious dispute that the UK contains vast quantities of coal in place, and that UK mining engineers are demonstrating that, with present British technology, recovery in the lem."

He says Britain's operating reserves—coal classified in detail by NCB geologists amount to 7bn tonnes and are sufficient to sustain current production for 50 years. Britain should take a fresh look at the possibility of exporting as to the Continent, which is becoming heavily dependent on the Soviet Union and Algeria for its supplies, according to Dr Nigel Lucas, lecturer in energy policy at Imperial College, London.

Writing in the Coal and Energy Quarterly, he says: "British gas policy bas never been conceived with Europe in mind and a reappraisal should be undertaken.

Name unchanged

TALBOT is to retain the name Samba for its new small car in the UK. despite fears that it might be selzed on as having racialist connetations. The car, designed in Britain but built in France, is to be launched in Britain next month.

It is sold as the Samba on the Continent, but at the time of its launch there last October Talbot UK said a different name would be found for it in Britain.

BL prices rise

BL HAS followed the recent example of Ford and Vauxhall by giving advance notice of car price increases to stimulate sales during a period when demand is usually low. The group says prices of

the Metro, the Mini and the Acelaim will go up by about 4 per cent in mid-February. However, prices of the Rover saloons and the Ital are to go up by a similar amount immediately. There are no changes to the prices for the Allegro, Maxi, MG or Triumph.

Amersham International to come on to the market shortly

TIONAL, the oldest component of Britain's nuclear industry, comes on to the market shortly following the Government announcement just before Christmas that the company's shares were to be made available to the public through a flotation on the Stock Exchange.

Since then it has been agreed that a 15 per cent limit will be set on any individual shareholding. This is the same figure set for British Aerospace. It is intended to protect Amersham against takeover attempts by large chemical or pharmaceutical groups at home or over-

The Amersham board believed such attempts could harm its

long-term interests.
The company has already attracted interest from large companies since news of the flotation, a fact it used to persuade the Government to agree to the limit. It also cited the takeover last autumn of a U.S. rival in radioactive products. New England Nuclear, by DuPont. As an additional precaution a single share with special powers

In 1971 it became the Radiochemical Centre, which until
last October was a whollymarkets packages of radioactivity mostly weak but some
as deadly as spent nuclear fuel.

"It's a high-technology
growth individual control of the UK and the control "It's a high-technology growth industry essentially linked to the top end of the medical market." says Sir John Hill, its chairman. The medical

ing at a rate of about 20 per cent a year.
At what it calls the heavy end of its business Amersham supplies such highly-active substances as cobalt-60, for irradiation, and neutron triggers, for starting nuclear reactors.

sector of the business is grow-

rare chance to invest in the nuclear business.

Amersham began in 1940 as private company called Thorium, in the Buckingham-shire town of Amersham, making luminescent paints for tank and aircraft instrument-panels throughout the Second World War. After the war it began selling radium to hospitals for cancer treatment.

"The company has been very commercially oriented from the beginning," Sir John says. It was founded by a chemist, Dr Pat Grove, who ran it until retirement in 1979.

The possibility that some day it might return to the private sector has been discussed seriously since the early 1960s. In 1964 the UK Atomic Energy Authority put it under its trading fund, and made it selfaccounting. "We did that for a few years to make sure that it could stand on its own feet,"

of £4.1m

It has been a profitable ven-ture ever since it was made self-accounting. With about 80 per cent of its sales exported, however, Amersham is vulnerable to fluctuating exchange rates. These, says Sir John, have set back its profits for the two years. This year should, however, be better.

INTERNA- David Fishlock looks at a ment's decision to make it shares generally available pro vides a rare chance to invest i a British company wholl engaged in nuclear business.

As the Government sees there is no reason for it to con trol the company. sensitive company in the wa British Nuclear Fuels is, or defence company in the wa British Aerospace is," Sir Joh

Amersham has establishe close links with the researc centres of all major drug con panies and regards these link as vital to a company operatin the frontiers of medica science. If one gained contro access to the others woul cease, "The day we cut off on of information, we'r dead," says Dr Stuart Burges: managing director.

Amersham salesmen tend t be scientists, able to discuss the nuances of sophisticated preducts and the needs of custo

This symbiosis between sale and research drew the compan deep into the development o diagonstic kits in the 1970: More than half Amersham' sales are in this sector.

Amersham's business para lels the biotechnology con panies which sprang up in the 1970s, mainly to exploit geneti engineering. It believes genetiengineering must open outlet for radio-chemicals. Dr Burges has set up a research group in this area.

Genetic engineering, how ever, also poses a threat for sectors of Amersham's medica business. One of the mos promising targets of biotech nology is the diagnosis o disease using monoclonal anti bodies, one of the first fruits o For the public, the Govern- genetic engineering.

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Notice of Meeting to the Holders of Itel Finance International N.V.

9%% Guaranteed Debentures due 1988 9%% Guaranteed Debentures due 1990 10½% Guaranteed Debentures due 1993

NOTICE IS HEREBY GIVEN, in connection with the above-mentioned Debentures issued NOTICE IS HEREBY GIVEN, in connection with the above-mentioned Debentures issued under Indentures dated as of April 1, 1978, October 1, 1978 and May 1, 1979, respectively, with Itel Finance International N.V. as Issuer and Itel Corporation as Guarantor, that J. Henry Schroder Bank & Trust Company as successor Indenture Trustee has called a meeting of Holders of the above-mentioned Debentures for January 21, 1982 at 2:30 p.m. at Carpenters Hall, Throgmorton Avenue, London BC2, and that the agenda of such meeting pursuant to a petition under Chapter 11 of the Bankruptcy Code of the United States filed January 19, 1981 by Itel Corporation. An officer of J. Henry Schroder Bank & Trust Company, Inquiries concerning this Notice may be directed to I. Henry Schroder Bank & Trust Company,

Inquiries concerning this Notice may be directed to J. Henry Schroder Bank & Trust. Company by mail, or telephone, Attention: George R. Sievers, First Vice President, J. Henry Schroder Bank & Trust Company, One State Street, New York, New York 10015, Telephone: (212) 269-5500 or Joseph Chervin, Esq., c/o Messrs. Suriey & Morse, 485 Madison Avenue, New York, New York 10022, Telephone: (212) 935-7700, commel to the Trustee.

J. HENRY SCHRODER BANK & TRUST COMPANY as successor Indenture Trustee

COURTAULDS INTERNATIONAL FINANCE N.V.

9% LOAN DUE 1st FEBRUARY 1982

We wish to advise all holders of the above notes that all remaining 2,150 notes become due for Final payment on 1st February 1982 and should be presented to appointed Paying Agents in the usual

Also the following aggregated principal amounts are still outstanding on previous redemption dates. 2,000 Drawn on 1st February 1975

US\$ 6,000 Drawn on 1st February 1979

5,000 Drawn on 1st February 1978

US\$ 12,000 Drawn on 1st February 1980 US\$ 26,000 Drawn on 1st February 1981 CHEMICAL BANK ON BEHALF OF COURTAULDS INTERNATIONAL FINANCE N.V.



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Jonuary 11, 1982 By: Citibank, N.A., London, Agent Bank

(Sidor)

In accordance with the terms and conditions of the Notes, and the provisions of the Agent Bank Agreement between C.V.G. Siderury for del Orinoco C.A. (Sidor) and Citibank, N.A.; dated July 7, 1980.

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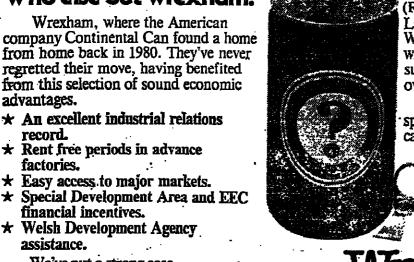
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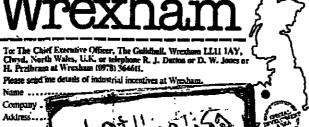
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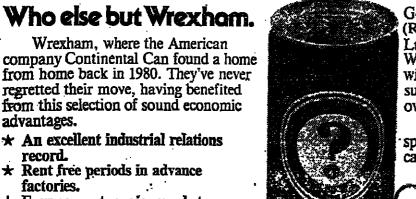


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We'd be pleased to send you our specially prepared ten minute compact cassette recording, featuring the comments of industrialists, trade unionists and ordinary working

people about life in Wrexham. There's no charge, just post the coupon.





Who put an airtight case

to Continental Can?

(Rausing) Ltd. and Hoya Lens U.K. over £100,000,000 in the borough.

INSURANCE

as Halewood workers vote to end strike

BY JOHN LLOYD, LABOUR CORRESPONDENT

WORKERS at Ford's Halewood plant, on Merseyside, yesterday now is wait and see what is the veted by a targe majority to company's interpretation of it.

Teturn to work today, ending We will impress upon them that a cost estimated by the company's need a consensus of pany to be around floin.

Union officials and manage-

About half of the plant's 10,000 strong workforce met on a Liverpool football pitch, and decided to end their stoppage after shop stewards reluc-tantly recommended accep-tance of a 7.4 per cent pay offer. tance of a 7.4 per cent pay onto the offer had received majority backing from the company's backing from the UK in a 54,000 workers in the UK in a

54,000 workers ballot last week.

At the smaller axle plant in workers who had also taken industrial action did not meet because of the weather. However, they are expected to return to work today.

Workers and stewards expres-sed loud disappointment over the settlement and it is clear that the productivity package, which has been agreed by the onion officials at national level, faces a number of tests at plant level in the months ahead. Mr Steve Broadhead, body

olant convener at Halewood. said after the meeting: "We still believe that this was a diabolical pay offer. We are going back

"What we have got to do

Union officials and manage ment meet in London tomorrow. to formally record agreement and discuss details of the productivity package. The two crucial elements in

the package are the company's call for an end to inefficient demarcation practices, and to agreements obstructed necessary change.

The unions have agreed to plant-level talks on both these issues, although the company in the course of the prolonged negotiations had to agree to drop incentive or penalty clauses which sought to impose a discipline upon the producti-

The company has stressed continually that a successful implementation of the efficiency proposals is essential for its "survival." Clearly, the present agreement leaves much to the discretion of negotiators on both sides; while the relative closeness of the aggregate vote to accept the offer, coupled with the disaffection of large plants because we will not leave our like Halewood, could endanger

Threat to halt papers

BY OUR LABOUR CORRESPONDENT

JOURNALISTS working for the the Daily Star is losing about Express Group intend to stop film a month, although the publication of its newspapers journalists believe the Daily from Wednesday night if they Express is breaking even and ind not receive assurances from the group's owner, Trafalgar House, that their jobs are safe. reter Shirley, father of the health Express and the Daily Chapels (office branches) in Lon-Stars and its Sunday paper, the don, of the National Technology Sunday Express, are all

the Evening Standard, which the group owns Jointly with Associated Newspapers, will not be affected. The journalists are concerned

group from Trafalgar House, place." which will be put to Trafalgar hareholders for their approval in January 21, will result in the _ale or closure of some of the papers witho moapers. It is understood that of the NUJ.

el Orinoco (

the Sunday Express is still in

will continue a mandatory chapel meeting from four on Wednesday until we get satisfactory assurances:

"We see this very much as a last chance—after January 21 "demerge" of the the demerger will have taken

Mr Shirley said it would be impossible for the newspapers' management to produce the papers without the co-operation

Ford faces pay test | Sirs steeled for hard fight to stop jobs rundown

BRIAN GROOM

explains why the

ISTC leadership is

taking a lone stand

against BSC's plans

the surrender of union rights

• The union believes BSC has

reneged on a commitment to

has offered the one-hour cut

● The ISTC became incensed

before Christmas about the

prospect of new redundancies

taking place at Port Talbot be

fore it had agreed to the local

negotiations.
Although ISTC leaders are

displeased by the lack of a

national pay deal, it is not the central issue. Nor is the level

of pay rises-probably equival-

ent to about 5 per cent—which might result from the local

deals, although the union has

demanded that at least 50 per

cent of the money be paid on

There seems a greater will

than hitherto to resist job losses. But most of all, these

factors together have built up

massive frustration at the

union's apparent inability to

stem what it feels to be a re-

fident its call for an overtime

ban will be obeved that it has

taken no decision on disciplin-

ary action against members

to justify its optimism: repre-

sentatives from areas like Scot-

land and the Midlands have

reported great anger; steel

workers showed unity and

strength of purpose during the

13-week strike; there is a strand

of political militancy in the

ISTC, despite its moderate

leadership-as evinced by new

changes in the executive which

have pushed it leftwards and

by a number of calls for a strike:

and finally, after heavy redund-

do not want to lose their jobs

BSC managers, however, pre-dict difficulties for the ISTC in

persuading members to forego

overtime earnings. They sus-

pect thet February 7 date has

Several factors can be cited

The ISTC executive is so con-

lentless tide of bad news.

permanent benefit.

who disobey.

The corporation

for another 15,000

redundancies

from January, 1983.

on many issues.

TWO YEARS after a bitter, 13week national strike over pay, one of Britain's most moderateled unions - the Iron and Steel Trades Confederation - 15 again on a collision course with the loss-making British Steel

Unions representing nearly half of BSC's 107,000 workforce have accepted that there will be no national pay award — due on January 1. They will negotiate increases in lump-sum schemes locally, in for productivity measures — including a new round of 15,000 jobs cuts by March 31, 1983. Some local

deals have been signed already. But the ISTC, the biggest union within BSC, has called on members to ban overtime from February 7 - an act of lone definance.

By that time the miners may be on strike. If the British Rail productivity dispute is still rumbling on, there will be trouble in all of the industries covered by the triple alliance of coal, steel and rail unions.

Mr Bill Sirs, ISTC general secretary, has no intention of invoking the formal alliancewhich is essentially to act over closures—but there are strong hasic rates so that there is some

6BSC has warned that action would threaten its fragile recovery and plants closed are not certain to reopen?

links between these groups of workers in areas such as Yorkshire and Scotland. Simultaneous disputes in the three industries could prove a heady

What has stirred the ISTC to action? There is not one reason, but several: ● The 15,000 planned job losses the continuing emphasise i haemorrhage which has seen more than 120,000 jobs go since 1973. three-fifths of them in the last two years. The union fears still more redundancies after BSC achieves its planned 92,400 job level by March 1983.

The ISTC claims that pro-

posed local productivity deals now without a fight. represent "an attack on job control" by stretching manning to breaking point, loosening demarcation lines, introducing more overtime, and demanding

been set because the union needs the delay to win over its members.

An overtime ban may prove harder to unite around than a strike as greater sacrifice will be demanded from some workers than from others and there will be nothing to match the comradeship of the picket

There may be the problem that the length of time taken to call the ban could be seen as uncertain leadership, And fear of closure will weigh on members' minds at some plants.

BSC has said that even partial support for the ban would threaten its fragile recovery in orders. Total support would pose severe difficulties at some works and BSC

6More than 120,000 steel jobs have gone since 1973 ... and the ISTC fears still more?

has given no guarantee that plants would reopen if they

Mr Sirs argues that the action is not intended to disrupt but to force BSC to take on workers. He would like to save and create jobs by continuing indefinitely without overtime.

" At Corby, 24 per cent overtime is being worked, while thousands of our members are walking the streets."

Disruption is the aim of many ISTC members, however. There has been pressure for lightning stoppages, or even an indefinite strike. Some believe the overtime ban could provoke walkouts and escalate into an all-out confrontation-although the union is in no shape to sustain another 13-week strike. The ban may not happen at

a peace initiative and some kind of approach is expected from the corporation. The ISTC, hoping that inh losses would be resisted locally, said last month it would agree to local negotiations if it won a 39-hour week now, 50 per cent

of rises on basic nav. and with-

ancies, many of the workers left. drawal of Port Talbot dismis-

all, however. There is time for

sal notices. Movement on one issue may swav the union. But BSC has refused to budge. It is convinced that further productivity advances are an important part

set to go ahead with stoppage

By Our Labour Correspondent

THE THREATENED national rail strike looks set to go ahead on Wednesday and Thursday as both British Rail and the train drivers' union Aslef continue to insist on widely-differing interpretations of an agreement over manning and pay.

Aslef's executive meets today to consider attending a meeting of the railway staffs national council, called by the biggest rail union, National Union of Railway-

The NUR wants to discuss both the 3 per cent increase to drivers—of whom it organises some 500—and the broader issues surrounding

BR's productivity proposals. The NUR, together with the railway staffs union TSSAhas agreed on the package, but has also agreed with Asief that the 3 per cent should be paid. BR says it will not pay until the drivers at least agree to discuss the principle of flexible roster-

ing.
Sir Peter Parker, BR's chairman, has written to his biggest customers --- like the coal and electricity boards, and hig chemical and car companies — explaining its stance and asking for their continued custom even if the two-day strike goes ahead.

Talks hopes in ferry row

By Our Labour Correspondent

TALKS between Sealink, BR's ferry subsidiary, and the Merchant Navy and Airline Officers' Association may get underway this week, following an exchange of letters between the company and the

A strike by the officers, over the company's plans to make some 100 officers redundant, seriously disrupted the group's ferries. The executive of the National Union of Seamen meets today to consider whether or not to join the action.

It has sent an to Mr David Howell, Transport Secretary. asking him to put pressure on the company to "adopt a more responsible approach

Rail drivers | Weather damage bill could reach £100m

BY ERIC SHORT

THE BLIZZARDS sweeping the country and the severe flooding in York, Selby, Gloucester and other areas have brought widespread problems and heartache to many families. The winter, could cost UK insurance comnanies up to £100m.

Underwriters are still trying to count the cost of December's snowstorms, which has to be included in the companies' 1981 results. Estimates indicate at least £30m, the true cost will not be known until April when companies publish their

Underwriters have bothered to keep a runing total of claim payments since the turn of the year. Until the bad weather ends, they will be much more concerned with ensuring that claims are dealt with

Companies will probably give some indication of overall costs when they publish their 1981 figures, and the final figures will become clear after they announce their half-year results

Total claim payments are almost certain to exceed the £65m pay-out for 1978-79 and £100m is quite fessible. It is perhaps fortunate that this can

be spread over two account But this is not the end of the story for the UK composites.

The severe weather has also changed their methods of operating UK business, because it ends the favourable conditions on the account. On the surface, everything

looked bright in the UK, except for liability business, amid the gloom of poor conditions in the other major markets. Fire losses have been running at a much lower level, the number of motor claims has fallen and the industry benefited generally from two successive mild winters in 1979-80 and 1980-81.

The companies are still seeing rapid premium growth, particularly in personal insurance business, because of the indexation of premiums and sums

This favourable claims experience, however, has masked several disturbing underlying features. In particular, there has been little growth in the commercial side of the business because of the recession. In addition, this is a sector with fierce competition from over-

Expenses have been rising faster than premium incomes. The latest survey from stockbrokers W. Greenwell shows a numbers and a 23 per cent rise in the UK salary bill for mine major groups, reflecting the fact that staff have been obtaining salary rises well above the national average.

Non-life premium income rose by only 18 per cent over the same period.

So it has not been surprising to find companies competing heavily with each other for personal business, where premium growth is in line with inflation and there is little competition from overseas.

The composites have used the favourable claims experience to hold down premium rate increases in an effort to increase their market share or to hold what they have.

This competition has been particularly fierce in the private motor market, where companies have been keeping premium rates unchanged for longer periods in the 1970s.

General Accident, the largest motor insurer in the UK, has kept its motor rates unchanged

for 18 months. The effects of this competition can be judged when the composites publish their 1981 results.

But what is certain is that the companies relied on another mild winter keeping claims and this calculated gamble has not come off. Now they have to decide whether they can really afford to continue rate-cutting, since unchanged rates in inflationary times means lower rates in real terms.

Policy holders can expect vastly higher premiums in the next few months. If only one or to realistic levels the rest will follow.

Stockbrokers Wood, Mackenzie, in their latest circular, are very pessimistic about results for 1981 and now expect a 12 per cent fall in earnings for the industry.

Shareholders can take heart that, despite the weather, Wood, Mackenzie also forecast that results will not affect dividend payments, which they expect to be 14 per cent higher than in

Rii i ich TOTAL ASSETS AND. LIABILITIES 35 S.R. BILLION MPAN

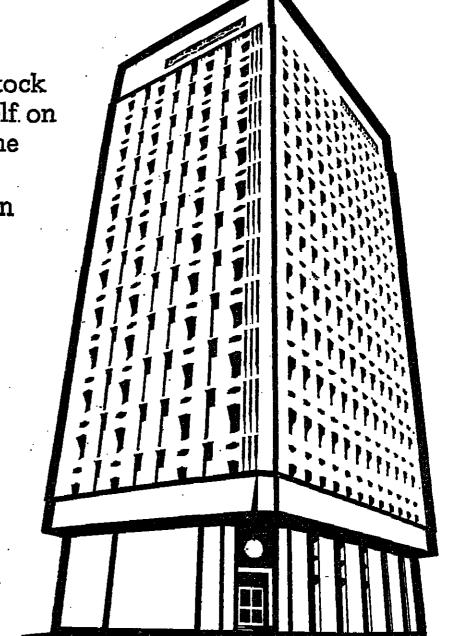
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Riyad Bank (the first fully indigenous joint stock banking company in Saudi Arabia) prides itself on the pioneering role it has been playing over the last twenty-five years for serving all sectors of the national economy, apart from its prominent role in international markets.

While commemorating its twenty-fifth anniversary Rivad Bank has great pleasure in expressing its gratitude to its correspondents the world over for their kind cooperation, and to its esteemed customers for the valued confidence they have reposed in it over the past years. It is this confidence that will continue to light the bank's way towards development.



EDITED BY ALAN CANE

Search for dental materials

In the first of two dentistry articles on ELAINE WILLIAMS describes why Britain's 20,000 dentists need more money for research into alternative materials. Tomorrow, she reports on the growing role of computers and electronics in the surgery.

FEARS of a world shortage of mercury which could put up the cost and lower the quality of dental fillings has prompted call for more Government funds to research new materials. Only two weeks ago, the Dental Association, British represents Britain's 20.000 dentists, wrote to Dr Gerard Vaughan, Health Minister, warning of the possible shortage. It wants more money immediately for alternative dental

materials. Since 1945, most dental fillings for back teeth have been alloys of selver and tin mixed with mercury to form an amalgam. More receasily, copper has been acided to give extra

protection against corrosion. Apart from supply problems, the toxic na use of mercury makes it a dangerous material for dentists to mix with alloys in their surgery, though it is safe once in the amalgam form. For these reasons alone, other materials are desirable.

Composite

But finding suitable new fillings is difficult. Professor Mike Braden, at the Landon Hospital's materials research unit said: "The mouth is warm, wet and acid. Conditions there are worse for dental materials than for the steel girders on the

Forth Bridge." There is hope that composite filling materials developed for front teeth could be strengthened for back teeth use.

Composite materials -- a commination of plastic and polymeric filler or resin - was developed in the mid-'61's to replace silicate cements then used for front fillings.

as aesthetic but were less brittle ported with major manufac rosion than the old silicate and did not stain as clid the turers including Kerr, Johnson cement. as aesthetic but were less brittle



PROFESSOR MIKE BRADEN, Professor of Material Science in Dentistry at the London Hospital Medical College measures the thermal properties of a dental material

The mouth is warm, wet and acid. Conditions there are worse for dental materials than for the steel girders on the Forth Bridge.'

is not important at the front of many.

the mouth. Researchers believe that this problem can be overcome by the addition of stronger plastics and better resins. In the next five years or so, these new com-posite materials are likely to

However, even with increased research it is unlikely that British industry will be able to exploit development because there is no major UK dental materials company left.

Professor Braden says: "All the technology for developing new materials is here in the UK, but licences to manufacture new materials developed in Britain go mainly to the U.S., Japan and West Germany.

We tried working with some of the small UK companies but they just don't have the manufacturing knowhow needed. We have had some very sad experiences with small companies," he said.

cement. The drawback for their and Johnson, S. S. Whites, use for back teeth is that they get worn away by chewing. This the U.S. and Espe in West Ger-

Dentsply took over AD International, the biggest UK materials manufacturer several years ago and still manufactures in Britain.

But last year the company cut its British research team by half because of financial losses. S. S. Whites also has a manufacturing base in the UK. .

Recently Professor Braden offered a licence for a new filling material to a Japanese company because he could find no one willing or able to make it in Britain.

In spite of difficulties in exploiting, materials development Britain remains a main research

centre. The · Government Chemist, for example, developed a glass Government ionomer cement, characterised by toughness and transparency. Between 70 and 80 per cent for use on front teeth, which, of dental materials are im- has greater resistance to cor-

The London Hospital group under the direction of Professor Braden, has developed several new materials ranging from soft plastic dentures for people with sensitive gums to materials

for building up damaged jaws.
One of its most recent breakthroughs has been the develop ment of a plastics material which is opaque to X rays.

The idea is to make dentures out of the material. So if a person has an accident causing facial damage it would be possible to tell if any fragments of the dentures are embedded in other parts of the body, particularly the lungs. Conventional plastic dentures do not show up

But what of gold, the favour ite dentai filling of the rich? Price has forced researchers to look for other choices although gold's resistance to corrosion is good, as is the ease with which Department of the it can be shaped into the cavity. Metals such as nickel and chrome are popular, though still inferior to gold. In 1980

sales of dental gold worldwide fell from 36 to 61.6 tonnes. West Germany used 25.5 tonnes while Britain could afford only

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Recession could be over for the computer industry

BY ALAN CANE

THE RECESSION could be over for the computer industry if the results of the latest test of opinion among computer users is translated into hard buying decisions.

The test, a survey couducted each quarter by the consultancy Urwick Dynamics and Computing newspaper, indicates that well over half the computer installations in the country expect to increase. their spending on computer hardware-computers, peri-pherals and telecommunications this year compared

with last year. At the same time last year, a net 41 per cent of computer users expected to spend more on hardware; now the figure has risen to a net 55 per cent confirming a trend towards greater spending intentions noted throughout 1981 (see graph).

Typical comments from those customers intending to spend more were "We are caught up in something we cannot get out of. It is the 'invest more to get the benefits syndrome'": "Just keeping up means spending more; there was so much pressure here, and we do not have a rubber computer. The budget had to give in the end."

The survey results confirm the impressions of manufac turers who found initially that the recession had little effect on their business as customers bought hardware to improve their efficiency.

As 1981 wore on, however, credit lines became strained and manufacturers found customers cancelling or delaying buying decisions. Even those companies with a stable and specialised market found it difficult to meet their targets in the third quarter. The Urwick/Computing results indicate that has ended.

Computer bureaux, processing and general industries are in the van for spending plans. The engineering industry, heavily hit by the recession, plans, in the main, to stick to constant budgets.

The survey shows that meeting project deadlines is still the area of most concern for data processing managwith staff recruitment ers, with staff recrument and the maintenance of existing programs a very poor

Data processing managers commented: "We are betwist and between. In the 1960s we imposed technical solutions on the users. In the 1970s, the users told us what they wanted. Now we are trying to work it out together. That vhy we cannot meet deadmuch time.'

Another said "We miss dates because we are ignorant. We do not know how to solve the technical problems any more."

Most programming and systems staff expect rises in the five to nine per cent region next year, the surveys show, indicating an end to the days when data processing staff considered them-selves an elite, able to ask their own price for the job. A typical manager's comsalaries are subject to the same negotiating procedure as the rest now. Merit might

add a couple of points but no The survey is based on questionnaires sent to a panel of 490 data processing managers in a wide spectrum of industries comprising large

and small firms. The full surveys is pub-lished in the current issue of Computing. Dr Kit Grindley of Urwick Dynamics (Slough 34111) is the co-ordinator.

Navy TUMS

A DUAL vehicle system for search, identification and recovery of objects from the seabed, to be deployed by the Royal Navy's new seabed operations vessel (SOV), HMS Challenger, is under develop-

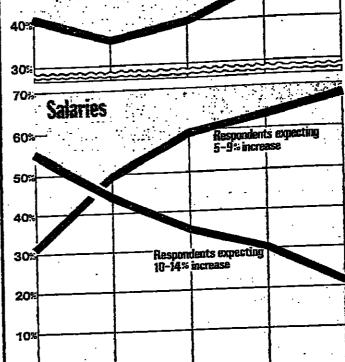
ment by Sperry.
The system is called TUMS
(Towed Unmanned Submersible) and consists of two vehicles: an underwater "de-' is directly towed by the ship by up to six miles of cable and is itself connected to the instrumented vehicle by neutrally buoyant

One of the advantages of the two-bodied arrangement is that the search vehicle is isolated from the surface ship's motion, which is important when working on delicate seabed tasks.

The instrumented vehicle (IV) can also be stowed inside the depressor body, giv-ing protection to the former during initial launch and recovery from the ship. The IV, which can be deployed up to 1,000 feet from the depressor, is powered independently by vertical, lateral and longitudinal thrusters and can also be towed at up to two knots. The IV, when searching,

can employ sideways and forward-looking sonars, low light television, stereoscopic photographic camera systems and a magnetometer (to detect the presence of metallic objects). The craft is also equipped with a manipulator arm allowing it to pick up and deposit items on the sea-

Hardware Haldmate 20638



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Norwest Hols total capability

Sampling system for the bakers' dozen

A SAMPLING system which allows bakers to monitor the net weight of loaves, automatically calculates and records the results and can be used by operatives after a few minutes' training has been announced by International Electronics of Ewood Bridge, Haslingden, Lancs. (9706 216594).

Known as "Compupak B" the unit uses a microprocessor-based scale and an 80 column printer. The unit is able to identify size of loaf, deduct tare weight and dessication allowance, monitor over and under-weight samples and provides graphics display and a print out of performance.

Automatic paging for filing of records and warning signals for batch failure or the need for corrective action are other

Exhibition Centre, Bristol

Wembley Conference Centre

EXHIBITIONS

BUSINESSMAN'S DIARY UK TRADE FAIRS AND EXHIBITIONS

International Boat Show 1982 (02403 3077) (until Earls Court Jan 17)
Infernational Toy Fair (01-226 6653) (until Jan Harrogate . 14)
Stationery Industry Exhibition—STATINDEX (01-637 7692) (until Jan 13)
Which Computer? Show (01-747 3131)
International Hotel and Catering Exhibition—HOTELYMPIA (021-705 5767)
Ideal Homes, Food, Trades and Leisure Exhibition Grosyenor House, Wi NEC, Birmingham Jan 19-22 Jan 20-27 Ideal Homes, Food, Trades and Leisure Exhibition (0243 687381)

Leathergoods, Luggage and Handbag Fair (01-497 1582)

British Toy and Hobby Fair (01-701 7127)

Photography at Work Exhibition (01-688 7788)

International Spring Fair—Gifts (01-855 9201)

Information, Technology and Management Exhibition and Conference—INFO '82 (01-647 1001)

Western Building Show (01-643 8040)

Ceramic Tile Exhibition and Conference—TILEX (01-450 0466) Winter Gardens, Eastbourne Kensington Exhibition Centre Earls Court Exhibition Centre, Harrogate Jan 30-Feb 3 NEC, Birmingham Barbican Exhibition Centre

Feb 9-12 Feb 10-12 Feb 10-12 (01-450 0466)
Crufts Dog Show (01-493 7838)
International Men's and Boy's Wear Exhibition
(021 705 6707)

OVERSEAS TRADE FAIRS AND

Middle East Food and Equipment Show MEFEX
(01-486 1951)

Roat Show (01-439 3964)

Europipe 32—Construction and Maintenance of
Pipelines Exhibition and Conference (0727 63213)
International Commercial Motor Show (02298
11 11)
Construction Exbn. and Conference Jan 22-31 (01-935 8200) Do-it-yourself exhibition—KARWEI (01-486 1951) International Boat Show (01-486 1951) ... International Boat Show (01-486 1951)

Equipment and apparatus for drug production and Feb 10-13 Fittings and components—DOMOTECHNICA

International Trade Fair for Watches, Jewellery and Silverware—INHORGENTA (01486 1951) Science and Technology Exhibition (SATEX)
(01-773 0938)
Middle East Machine Maintenance, Light Engineering and Handling Show—MEM (01-486 1951)

NESS AND MANAGEMENT CONFERENCES institute of Personnel Management: The Secretary

CBI: Jordan—the new 5 year Development Flan (1981-86) (01-379 7400) Contracts (01-636 0617)

FT Conference: World Coal Markets (01-621 1355)

The Economist: Europe and Japan—Competition,
Collaboration or Confrontation in the 1980's? (01-839 7000)

law (01-262 5050) nchester Business for the future (061-832 ESC: Pricing for profit (057282 2711)

ESOMAR/EFMA: How research can help financial organisations communicate internally and externally (01-251 4549)

Meridian Conferences: Capitalise on Communications (01-670 5400) Dun and Bradstreet: More Effective Collection Techniques for Credit Controllers and Supervisors (01-247 4377)

Marketing Society: Media—The Inside Track (01-543 5191)

Metal Bulletin Congresses: Middle East Metals

and Minerals (01-633 0525) ez: Company Finance for the Executive Secretary (01-242 2481)
Conference: The Seventh Pensions Conference

Anyone wishing to attend any of the above events is advised to telephone the organisers ensure that there has been no change in the details published.

Centre Point, WC1 Churchill Hotel, W1 Inter, Continental Hotel, W.

Whites Hotel, W2

Europa Hotel, W1 Regents Park, NW1

Selsdon Park International Hotel, SW5

Bowater Conference Centre

Café Royal, W1

Portman Hotel, W1 Grosvenor House, Wi

Financial Times Conferences

THE SEVENTH PENSIONS CONFERENCE London — February 3 and 4, 1982

This conference will provide an opportunity to debate the Covernment's proposals to cut the rebate to companies contracting out of the State earnings-related scheme and for participants to make their views known. Mr George H. Ross Goobey, former President, National Association of Pension Funds. and The Rt Hon Lord Byers, OBE, Chairman, Company Pensions Information Centre, will take the Chair during the two days.

THE FOURTH WORLD MOTOR CONFERENCE

Geneva --- March 1 and 2, 1982 Among the panel of speakers at this Fourth World Motor Conference to be held on the eve of the Geneva Motor Show will be Dr Umberto Agnelli, Vice Chairman, Flat SpA, Chairman, Flat Auto SpA; Mr Winfried Spaeh, General Manager, Dresdner Bank AG; Mr Hidea Kamio, Managing Director, Toyota Motor Sales Company; Mr R. Stempel, Managing Director, Adam Opel AG; Mr Filliberto Pittini, Chairman and Managing Director, Industrie Pirelli SpA; and Mr John M. Neill, Managing Director, Unipart Group. The conference is being arranged in association with Booz, Allen and

All enquiries should be addressed to: The Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX

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The first wide-body jet under\$35,000,000. In fact, under \$10,000,000.



It is an immutable law of air travel that, after a couple of hours or so, the joy of flying will inevitably take second place to the need for stretching.

Yet the typical corporate aircraft remains the same cramped and narrow tube it always was.

Capable, by the end of a six- or eight-hour trip, of transforming an alert and motivated group of executives into a motley collection of people who just want to lie down.

The designers and engineers at Canadair are, of course, as familiar with this state of affairs as are any of their competitors.

However, unlike any of their competitors, they have created a corporate jet specifically designed to cope with it.

Despite its remarkably efficient rate of fuel consumption and high cruise speed, the Canadair Challenger is bigger than every other corporate jet in the one dimension most critical to passenger comfort and a realistic working environment.

Width.

Specifically, the Challenger offers a passenger cabin seven feet, two inches wide at the floor line and eight feet, two inches wide at the centerline.

You can stretch your arms. Stretch your legs.

Stand up. Walk around. And while other corporate iets offer six feet, one inch of headroom like the Challenger, none offers as much headroom away from the center of the cabin— another advantage of width.

Of course, there are other dimensions to comfort in the Challenger. The twenty-eightfoot, three-inch length of the interior, for one. Allowing plenty of room for a galley, a wardrobe, a lavatory and seats that fold out as berths for sleeping.

The floor of the Challenger, incidentally, is flat. No troughs to fall into when you get out of an aisle seat.

The baggage area is accessible from inside the passenger cabin. When it occurs to you that you left that allimportant whatever-it-was in

your suitcase, you won't have to wait six hours to get at it.

As for those who would willingly sacrifice creature comfort in return for greater economy, we can only say that such altruism is entirely misplaced.

The Canadair Challenger happens not only to be the most comfortable corporate aircraft in the sky, but; given its size, the most economical.

In fact, the Challenger is virtually as fuel efficient as some smaller corporate jets with shorter range.

And speaking of range. The IFR range of the Canadair Challenger makes it one of the few corporate jets in existence that can cross the Pacific with one stop.

Or fly from New York to the Middle East with one stop.

Or fly from Honolulu to Denver non-stop.

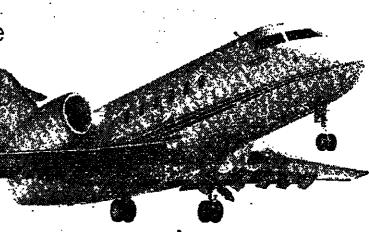
Or from Washington to London non-stop. But it's not just how far you can go. It's the shape you're in

once you get there.

For more information on the Challenger, call James B. Taylor, President of Canadair Inc., at (203) 226-1581. Or write Canadair Inc., 274 Riverside Avenue, Westport, CT 06880.

In the Mideast business world, TAG Aeronautics Ltd. is the exclusive distributor and representative for Challenger sales and support.

For further information, contact Adel A. Oubari, Vice President, TAG Aeronautics Ltd., 14 Rue Charles Bonnet. 1211 Geneva 12, Switzerland. Phone: (022) 46 17 17. Telex: 289 084.



canadair challenger

lients' contemporary problems vices in Whitehall. (Proposals hey spend far too much of for a physical move have not heir professional lives delving advanced very far). ato the past ever to contemdate the horizons of the law n society.

Nevertheless, from time to ime the profession is galranised into self-analysis and Obsequently into foretelling he events that will transorm the legal system and rehape the legal services to the ublic. Por a number of unrelated reasons the time is now ipe for a fresh initiative in law eform and a notable segment of the legal profession is poised or a thorough-going refurbishnent of the constitutional strucure and legal framework of ociety.

Ever since the Labour Adninistration of 1964-70 prorided the innovative forum of the Law Commission there has seen a steady stream during the past decade of legislation litering the substantive law, notably the divorce laws and arge chunks of the criminal law. Valuable as these reforms have been, the institutions of the law and the procedures for rvoking legal remedies for the citizen's grievances have remained largely untouched.

Like so many aspects of public affairs, the institutions of the legal system have proved impervious to easy adaptation to modern needs. Even the physical aspects of the system the bricks and mortar of court buildings-have barely kept pace with the demands of burgeoning litigation.

A reminder of the inadequacy of court accommodation will be furnished a year hence when the profession will be commemorating the opening in January 1883 by Queen Victoria of the Royal Courts of Justice in the Strand, London, previously housed at West-

minster Hall. The Law Courts represent the over-ample and much wasteful space of their age, originally housing some 25 courtrooms. By improvisation that number has been nearly doubled to cope with the growing volume of business, with varying degrees of inconvenience to judge, court officials, legal practitioners, their clients and witpesses. The expansion in courtaccommodation has reached its limits; in preparation for the centenary celebrations the authorities will be driven to seeking ways of remedying the situation.

The Attorney-General and Solicitor General, together with their meagre staff of half-a-dozen Civil Service lawyers are housed in one corner of that majestic edifice in the Strand, detached both geographically and admini-

Significantly, under recent Labour Administrations the Attorney-General's office has been described as the Law Officers' Department, while Conservative Administrations have adhered to the traditional concept of the Attorney-General as the leader of the Bar (who in the past was even permitted to, and did accept private briefs) by referring to the office as the Attorney-General's Chambers.

All this lends added weight to the unpalatable truth that the Government's principal legal adviser operates more peripherally than centrally to government. Unlike any other specialism that government Departments rely on, the law is part and parcel of the functions of every Department of parts of the public service

the spirit of reform.

Instinctively the very utterance of the title of a Minister of Justice conjures up a picture of a nasty foreign practice of concentrated power in the hands of lawyers, not the most favoured of professions in the public's eyes. The unification of government legal services, however, has an attraction to constitutional reformers. Indeed the year ahead will witness much discussion about the special position of Civil Service

Governmental administration has not generally recruited its hureaucracy from among law-yers. Few legally-qualified civil servants reach the top jobs in government service. Neither the police nor the prison service-

THE WEEK IN THE COURTS

BY JUSTINIAN

state; hence the lawyers claim, and to some very limited extent achieve, a status in the Civil Service as high as that of the most senior administrators, without exercising the influence that their discipline should

achieve. The organisation of government legal services are so dif-fuse among several departments, and any central control is so transparently lacking, that the influence of lawyers is restricted to advice, and then only as and when it is sought by Ministers, and rarely extends to policy.

The emergence in the past few months of a band of radical lawyers under the political banner of the Social Democratic Party has begun urgently to inject a dose of legalism into the deliberations over constitutional reform proposed last March in the Limehouse charter. Ever since the Haldane Committee on the Machinery of Government in 1918 floated the proposal of a Ministry of Justice, radical lawyers have fondly toyed with the idea. Haldane's main proposal was to rejig the functions of the Home Office and the Lord Chancellor's moulded by statute to relieve. Department, giving the former the prison administration of the the task of administering the intolerable burden of a prison court system while leaving the Lord Chancellor to appoint the judges, with the assistance of an advisory committee,

Some of the changes wrought by the Beeching Commission that formed the basis of the Courts Act 1971 and the unificawhich by their nature demand from its servants more than just a nodding acquaintance with the law-has had more than an occasional lawyer among its top echelons. Few chief constables or prison governors have even legal qualification let alone

have practised law at any time. Until very recently practising lawyers did not aspire to a role in government other than as parliamentarians and Ministers.
With the growth in output from the law schools and with a diminishing requirement for private practitioners, however, the lawyer is now seeking new fields to conquer. Departments of state

seem a natural habitat for legal

expertise, not as a departmental

lawyer but as an administrator who happened to be a lawyer. Not all the prospects of legal change, more or less exciting, will come from politico-legal sources. There is a good deal within the parliamentary, and even the court processes that encourages the notion of a brave new legal world emerging in the mid-1980s. The impending debates on the Criminal Justice Bill will reveal how far the courts' sentencing policy can be population that is near, if not

actually at breaking point. The judges are showing themselves as less than totally committed to the Home Secretary's oft-expressed wish to effect a dramatic change in penal affairs by getting substantion recently of civil and tially reduced prison sentences updating and retraining pro-criminal legal aid, have brought passed by the courts. If the grammes.

AWYERS are not natural stratively from the mainstream about some redistribution of judges win the current battle rophets. In sorting out their of the Government's legal ser-Haldane's proposal still arouses the courts, politicians in the near future will turn to drastic measures to counter judicial obduracy. The Bill itself contemplates the Home Secretary using administrative powers to release prisoners earlier in

their sentences. Courts are, by current standards, less likely to catch this mood of advancing liberalism, although the European Court of Human Rights will doubtless make further inroads upon the illiberal laws that are still strewn across the English legal system. The Court is poised to effect the virtual ending of censorship in our prisons; other libertarian issues, such as the blasphemy laws and immigration policy. are shortly to come under scrutiny at Strasbourg for violations of fundamental freedoms.

The most significant event of the coming year (the new law term starts today) will be the compulsory retirement of the senior Law Lord, Lord Wilberforce. Parliament's insistence that judges appointed after 1959 must retire at 75 — Lord Denning is now almost the only judge exempted from that rule and defiantly declines to step down - will remove from the judicial firmament its brighest

It is hard to find among the present generation of judges myone who has matched Lord Wilberforce's qualities of sound (often wise) judgment, intelli-gibly (often elegantly) expressed, and usually with flawless reasoning, but above all in an impeccably judicial manner. With his departure at the beginning of March there ends the post-war era of judicial insistence on retaining the virtues of the English common law while discarding its archaism.

Gift of £50,000 for university

QUEEN'S University, Belfast, is receiving a donation worth £50,000 from Standard Telephones and Cables (Northern Treland).

The money, provided by a seven-year deed of covenant, will assist in establishing a university-industrial liaison and development centre.

It will also be used towards the development of vocationallyorientated courses and services designed to meet the needs of engineering companies in fields of changing technology, in particular by providing high-level

BBC 17 A

9.00 For Schools, Colleges, 10.00 You and Me. 10.15 For Schools, Colleges, 12.30 pm. News After Noon, 1.00 Pebble Mill at One. 1.45 Camberwick Green. 2.01 For Schools, Colleges, 3.00 See Hear! 3.25 Delia Smith's Cookery Course, 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Laurel and Hardy carloon series. 4.25 Jacksnory 4.35 Playhouse, 5.05 Newsround, 5.10 Biue Peter.

5.40 News. 6.00 Regional News Magazines. 6.25 Nationwide.

6.55 Doctor Who. 7.20 So You Think You Know What's Good for You?: Educational quiz hosted by Cliff Michelmore and Dr Miriam Stocpard.

8.10 Panorama: Robert Kee interviews Lord Carrington on the West's response to the crisis in Poland.

9.25 Last of the Summer Wine starring Bill Owen. Peter Sellis and Brian Wilde. 9.55 Police: A look at life inside Thames Valley Constabulary. 10.35 Film 82 Special: Candice Bergen talks to Iain John-

11.05 Big Jim and the Figaro Club starring Norman

Rossington. Roland Curram and Priscilla Morgan. 11.38 News Headlines. 11.40 Speak for Yourself.

All IBA Regions as London except at the following times: **ANGLIA**

1.20 pm Anglia News. 2.30 The Lada Snooker Classic. 5.15 Univarsity Chel-lenge. 6.00 About Anglia 6.30 Sur-vival. 10.30 Anglia Reports. 11.00 A New Kind of Family. 11.30 The Lada Snooker Classic. 12.25 am Reflection.

BORDER 1.20 pm Border News, 2.30 Lade Snooker, 5.15 Bygones, 6.00 Lock-around Monday, 6.15 The Sound Of Sandy and Derick, 6.30 Mr. and Mrs. 10.30 Thriller: "Death in Deep Water." 11.40 Border News Summary.

CENTRAL 1.20 pm Central News 2.00 Hagen. 3.25 Cartoon Extra. 6.00 Central News. 10.30 Left, Right and Central News. 10.30 Left, Right and Central News. 11.15 Paris by Night. 11.45 Something Different.

CHANNEL 1.20 pm Channel Lunchtime News, What's On Where and Weather. 12.30

The Monday Matinee: "The Card." 5.15 Emmerdele Farm, 6.0/0 Channel Report, 6.30 The Two of Us. 9.00

(S) Stereophonic broadc ‡ Medium Wave

RADIO 1

5.00 am As Radio 2, 7.00 Mike Read.
9.00 Simon Bates: 11.30 Dave Lee
Travis. 2.00 pm Paul Burnett 3.30
Stave Wright: 5.00 Peter Powell. 7.00
Stayin' Alive with Andy Peeblas. 8.00
David Jensen. 10.00-12.00 John Peel

RADIO 2

1.20 pm HTV Naws, 2.30 The Lada Snooker Classic, 5.15 Diff rent Strokes. 6.60 HTV News, 10.28 HTV News. 10.30 Survival. 11.00 Altered Images. 11.30 The Lada Snooker Classic. HTV Cymru/Wales—As HTV West except:12.03-12.10 pm Falabalam. 4.15-4.20 Mr Magoo. 4.45-5.15 Sêr. 6.00 Y Dydd. 6.30-7.00 Report Wales. 8.30-9.03 Yr Wythnes. 11.00-11.30 World in Accion. (As HTV West, 8.30 pm).

1.20 pm TVS News. 2.30 Lede Snooker Classic. 5.15 Watch This Space. That Monday Evening Feel-ing. 5.30 Coast to Coast. 6.00 Coast to Coast (cont.) 6.30 Attend Images. 9.00 Quincy. 10.30 A full Life. 11.00 The Entertainers. 11.30 Lede Snooker Classic. 12.25 am Company.

Sports Dest. 10,00 The Law Game. 10.30 Ster Sound. 11.00 Brian Matthew with Round Midnight. 1.00 as Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

5.00 am Steve Jones (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 John Dunn (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News: Sport. 6.00 David Symonds with Much More Music (5). 8.00 Folkon 2 (8). 8.00 Humphrey Lyttleton with the Best of Jazz including 8.55

RADIO 4

LONDON

9.20 am Schools Programmes, 12.00 Cockleshell Bay, 12.10 pm Rainbow, 12.30 Do It Yoursek, 1.00 News, plus FT Index, 1.20. Thames News with Robin Felicwing BBC's -10-part series on computers for beginners Houston, 1.36 Farmhouse Kit-chen, 2.00 Money-Go-Round, 2.36 Monday Matines: "Big Rob John-son and Hie Fantastic Speed. The Computer Programme is turning out abit pricey: even if you don't actually buy a BBC computer (a snip at £235 and £335 I am assured—seriously) it looks as though you'll have to buy a video recorder before you can see the programmes. They start Circus." 4.15 Dangermouse. 4.29 Graham's Ark 445 The Book Later the same channel runs a repeat of Three Of A Kind Tower. 5.15 Mr and Mrs. which seems up ITV's new Saturday night programme "OTT" in a very poor light. The comparison is legitimate not just because

5.45 News. 6.00 Thames News with Andrew Gardner and Rita

Carter 6.25 Help! with Viv Taylor

Gee. 6.35 Crosmoads. 7.00 Wish You Were Here . . .? Chris Kelly visits Long-

leat and Bath; and Judith Chalmers reports on Blankenberge in Belgium. 7.30 Coronation Street

8.90 Let There Be Love starring Paul Eddington and Nanette Newman.

8.30 World in Action. 9.00 Hill Street Blues. 10.00 News. :

10.30 "The Kremlin Letter" starring Richard Boone, Bibi Anderson and Max Von Sydow.

12.45 am Close: Sit Up and Listen with Ginette Listen wath Spanier.

† Indicates programme in black and white

TYNE TEES

9.20 mm The Good Word. 9.25 North East News. 1.20 pm North East News and Lookeroard. 12.30 Monday Maxines. "The French Mistrests," starring Cecil Parker and James Robertson Justice. 5.15. Happy Days. 6.00 North East News. 5.02 Three Lights Words. 6.30 Northern Life. 9.00 Quincy. 10.30 North East News. 10.32 Briefing. 11.16 Lou Grant. 12.10 am The Sayings of Jesus.

ULSTER

1.20 per Lunchtime. 2.30 Shooker.
4.13 Ulater News. 5.15 Warch This Space. 5.30 Good Evening Ulater. 6.00 Good Evening Ulater. 6.30 Mr and Mn.
9.00 Quincy. 10.29 Ulater Weether,
10.30 Ulater Landscapes. 11.00 Face Your Future. 11.25 Beduins.

YORKSHIRE

1.20 pm Calendar News. 12.30 Monday Matines: "The Gracie," sterring Virginia McKeana, Michael Madwin and Mervyn Johns. 4.05 Love—American Style. 6.00 Calendar (Entley Moor and Belmont editions). 6.30 Enterprize 62.9.00 Quincy. 10.30 Sportsman of the Year Dinner. 11.30 Lada Snoother Classics.

RADIO

TELEVISION

Chris Dunkley: Tonight's Choice

the tall black comedian Lenny Henry features in both and to

Horizon assesses "The Secret Of The Snake," considering

On BBC! Robert Kee returns to Panerama after a breath-

6.00 Maggie.

Garden. 🗠

6.55 Riverside.

7.55 Porridge.

9 36 Horizon.

10.45 Newsnight . 11.30 Darts.

10.20 Darts

6.50 News Summary.

8.25 Grace Kennedy.

9.00 Three of a Kind.

SCOTTISH

1.20 pm News and Road and Weather. 2.30 Lade Snooker Classic. 5.15 Emmerdale Ferm. 6.00 Scotland Today. 5.40 Chimedesk. 9.00 Quincy. 10.30 Late Cell. 10.25 Magic of the

TSW

1.20 pm TSW News Headlines, 12.30
"The Card," starring Also Guoness,
Gynis Johns, Valerie Hobson and
Petula Clark. 4.12 Gus Honeybun's
Magic Birthdays. 5.15 Emmerdale Fam.
5.00 Today South West. 6.30 The Two
of Us. 9.00 Quincy. 10.32 TSW Late
News and Wasther. 10.35 Ladies Man.
11.05 Golfing Greats (Sam Shead).
11.30 Ladie Snooker. 12.25 am Postscript. 12.30 South West Weather and
Shipping Forecast.

11.35 Lads Snooker Classic.

7.30 The Genuine Article.

6.25 Mr Smith's Favourite

much better effect in the BBC show, but because they are very

the widespread loathing of the creatures and then revealing that

modern science is discovering remarkable medical potential in

takingly long pause (nearly 20 years I should think) to take over

the chair vacated by David Dimbleby now that he's gone to

BBC 2

similar programmes; fast moving lines of comedy sketches.

today on BBC 2 at 3.05.

snake venom.

beef up Nationwide.

11.25 Play It Safe!

10.10 am Managing the Micro. 10.35 Speak for Yourself. 11.00 Play School

11.35 Write Away. 2.00 pm A Child's Place. 2.25 Maths Help.

2.40 Other People's Lives.

gramme.
3.30 Up the Organisation.
3.55 Star Movie: "Passage to Marseilles."

Quinty, 10.28 Channel Late News, 10.36 Lackes Man, 11.05 Golfing Greats (Sam Snead), 11.30 Lada Snooke, 12.25 am News and Weather in Franch.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 2.30 Lado Snooker Classic. 6.00 North Tonight. 6.30 Out of Town.

10.30 The Palace Presents. 11.30 Lada Snooker Classic., 12.25 am North

GRANADA

1.20 pm Granada Reports. 230 Lada Snooker Classic. 6.00 Granada Reports. 6.33 Mr. Merlin. 9.00 Quincy. 10.30 Vegas. 11.30 The Lada Snooker Classic.

3.05 The Computer

5.40 Undersea Kingdom.

RADIO 3

6.55 am Weether. 7.00 News. 7.05
Morning Concert (S). 8.00 News. 8.05
Morning Concert (continued). 9.00
News. 9.05 This Week's Composer.
Scrabin (S). 10.00 Lionel Rogg organ
retial (S). 10.50 BBC Northern Singers
(S). 11.35 Northern Sindons Orchestra
(S). 1.00 pm News. 1.05 BBC Lunchtime Concert (S). 2.05 Matines Musicale (S). 3.00 The Songs of Mus-

sorgsky (S). 3.25 New Records (S). 4.55 News. 5.00 Mainly for Plassure (S). 7.00 Aspects of the Blues. 7.30 "Le Vin Herbe" (The Drugged Wine) opera in three acts by Frank Markin (S). 9.45 Music in Our Time (S). 10.30 Jazz in Britain: Charles Fox introduces John Stavena' Away (S). 11.00 News. 11.05-11.15 Durufle (S).

5.00 am News Briefing, 6.10 Farming
Week, 6.25 Shipping Forecast, 6.30
Today, 8.35 The Week On 4 8.45
The Widower by Georges Simenon, A Book at Beddine, 1135 The
9.00 News, 9.05 Start the Week, 19.00 cast World Tonight, 11.30 Mi
News, 10.02 Money Soc. 10.30 Night (5), 12.00 News,

Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way wists Estree in Heatordshire. 11.50 Poetry Please! 12.00 News. 12.02 pm You and Yours. 12.27 Nashville (S): 12.55 Weather, programma news. 1.00 The World at One: 1.40 The Arches. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 435 Back lander of the World Afternoon Theatre (S). 435 Back lander of the World News. 3.02 Afternoon Theatre (S). 435 Back lander of the World News. 3.02 News. 3.02 News. 3.02 News. 3.02 News. 3.02 News. 3.00 News. 3.00

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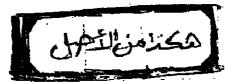
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GOODSYE DATASAYS

- -What's happened?
- -Datasaab is no more.
- -What, the company?
- -No, just the name.
- -Well, haven't you got a new name?
- Of course. We were given it as a New Year's present.

HELLO, ERIGSSON INFORMATION SYSTEMS

—Datasaab? Ericsson Information Systems? What's going on?

Yes, it is a bit complicated at first. I'm not really used to it myself yet. Let's take it word by word. You start.

—Datasaab. Let me see. To me Datasaab means Alfaskop and bank terminals. And business systems Series 16. And didn't I read something about you being taken over by some telephone company?

That's right. Ericsson. Although "some telephone company" is no way to talk about one of the world's leading telecommunications suppliers. The Ericsson Group has over 70,000 employees spread throughout 100 countries. So we're not lacking in resources. Or technical know-how.

-OK, then I suppose the word Information refers to this new office automation age the papers have been full of lately. Just about every computer supplier is talking about systems that

can communicate with each other, no matter where they are, and telephones and teletex and distributed data processing and...

—You're on the right track. But watch out for the people who sold that very fine cloth to a certain king. They're still around. And for others making claims they will have a hard time justifying. To make the kind of systems we're talking about demands a very high level of system know-how. It also demands access to considerable resources and the ability to coordinate them within a number of decisive system areas.

-Systems?!?

—Ericsson Information Systems! A completely new company created by the Ericsson Group through a merger of three different company units, each with a unique area of competence needed to develop a genuine integrated information system. You'll hear from us soon.



MANAGEMENT

How precision boosts Sainsbury's productivity

David Churchill reveals the attention to detail which is keeping the UK retailer ahead of the competition

recession - when unemploy-J. Sainsbury supermarket chain improve the quality and has done what for most efficiency of staff. companies would be unthinkable; it has created some 10,000 new jobs over the period bringing its total workforce to about 47,000.

At the same time, Sainsbury's profits performance has been without parallel in the UK retail world. Full year pre-tax profits in the last financial year were up 43 per cent to £65,8m; the interim results appounced last month revealed pre-tax profits up by 38 per cent to £42.5m. The reasons for such a

remarkable profits performance and employment record are varied, and owe much to the family-controlled company's consistent trading policies for the past 113 years (detailed in full on this page last year). But at the heart of Sainsbury's success lies a 10-year drive niques boosted sales, to increase productivity—a Second was the campaign that has produced drive of Sir John 5 some solid statistical evidence of real productivity gains to back up the impressive profits

Paragon

There are several ways of measuring retailers' producti-vity levels but on all counts Sainsbury comes out ahead. Over the past five years, for example, sales value per employee per week has risen in real terms from £231 in 1977 to £1,095 last year. Over the same period, sales volume per employee per week rose by some 29 per cent—including a half-year increase of 5.6 per cent over the previous half-

Sales value per sq ft of selling space has also risen, in real terms, from £8.29 in 1977 to about £11.50 at present. This is about double the average in the grocery industry.

What all these figures mean is that Sainsbury is not only selling more goods from every shelf than ever before, but also that in spite of increasing staff it is generating more income per head than ever before. Sainsbury, therefore, is a paragon of Thatcherism; real productivity gains mean real

How has Sainsbury done it? Not through any magical system, but through the appli-

increases in both jobs and

DURING the past two years of cation of a consistent approach over the past decade to get its ment has climbed steadily—the basic systems right and to

> Sainsbury started along the productivity road in the early 1970s at a time when supermarkets generally paid only lip-service to the god of higher productivity. At that time, sales and profits could still largely be generated from an expanding food market and at the expense of less able competitors. Now, however, overall food demand is static and the structure of grocery retailing has become more concentrated, making real productivity gains the most effective way of corporate growth.

Two things changed Sainsbury's approach. First was the realisation that grocery retail-ing was steadily becoming a bigger and more sophisticated ball-game, as stores grew in size and new marketing tech-

Second was the personal drive of Sir John Sainsbury, the chairman since 1969, to fulfil his business philosophy of creating a more professional and efficient operation to meet the challenges of the

The productivity strategy that resulted evolved through three phases. The first, and most basic phase, was the realisation that stock ordering and replacement systems had to be developed to provide accurate data and to cope with the anticipated volume growth. Without such a basis, all other methods of selling more food per employee and per square foot of space were made that much more difficult.

To this fundamental stock control system was added the at this time was very imsecond phase of improving staff and managerial quality and pruning headquarters staff. Thirdly, the benefits of better stock control systems

and better staff could only be maximised by higher volume through the stores.
It is this higher volume over the past few years—market wheeled round the store, but share alone has risen by 50 per advances in micro-technology

cent since 1978—that has enabled Sainsbury to capitalise in profit terms on the tighter control systems. the productivity drive that was count. Each product has a code probably the most important in which is included in a label on laying the groundwork for future productivity gains.



the centre of Sainsbury's productivity campaign as the director of retail operations

the prime instigators of the productivity campaign of the past decade, explains that the initial aim was " to develop our control over stock replace-ment." By their very nature, groceries tend to be sold quickly and stores that fail to keep shelves stocked lose customers. Too much stock, how-ever, is equally bad because of the costs of stock holding.

Barnes says that Sainsbury pressed with computerised stock ordering systems used by U.S. supermarket chains. The that Sainsbury desystem veloped for its own use, therefore, is based on what it learnt from the U.S.

Its original equipment was stored in a trolley which was mean that similar equipment is now no larger than a hand-held calculator. Stock levels are calculated from what is left on But it was the initial stage of shelves during the daily stock the front of each shelf. This "read" by a special pen Joe Barnes, Sainsbury's retail as the amount of fresh stock

director who has been one of needed is manually keyed into refinements. has been the equipment.

The stock replacement data is transmitted over the telephone network each day to the nearest Sainsbury depot where the stock is assembled, delivered to stores, and put on shelves after the store has closed. (Staff work on a shift system to do this.) Some very high volume lines, such as baked beans, are kept within the store to ensure no empty

Weed out

One of the advantages of this stock ordering system is that the new stock order is made up in sequential order (since that is how it was recorded) so that each shelf is filled in turn.

The computerised system also means that there is extensive data available to establish sales patterns and to weed out slow moving items. Although the sheer scale of the operation through Sainsbury's 215 stores means that much of the day-today ordering is automatic, head office will check on about 25 stores a day to make improveproduct mix.

cornerstone of Sainsbury's ordering and stock control over the past decade and is now copied by many other superchains. Sainsbury's market advantage, however, is that it is used in every store, not just the larger ones as is often the case with many of its competitors.

Having got the basic com-puterised stock control systems into operation, the next phase of the productivity drive was towards staff control. The existing system meant that head office would tell each store manager what staff were needed in that store and when. Such a policy was in line with the company's strongly centralised management system.

However, it became apparent that as the number and size of stores grew, such a centralised approach was too inflexible. So the policy evolved that each store manager should have responsibility for determining his own staff levels.

Each store manager calculates estimated trade levels (using data accumulated from the till ments to a particular store's and other sources) and works out, about two weeks in advance. This system, with certain what staff are needed for each

part of the store at different manager can adjust his staff

Giving store managers responsibility for staff levels and stock control has also helped Sainsbury enhance the professionalism of its management. Sainsbury, net surprisingly,

puts considerable effort into training its staff. There are training its statt. There are audio-visual training facilities in every store, backed up by area training centres. All staff have a "work-book" which is an individual record of their training progress. "You can't get good productivity out of a work-force that doesn't understand the jeb "rojust out loo Barries." the job," points out Joe Barnes.

Sainsbury is coy about wage rates for staff, saying that they "reflect our position in the trade." Staff are not paid a productivity bonus as such but after two years' service are eligible for the profit-sharing

The average sum paid out to an eligible full-time employee in 1980 was £156, rising to £234 last year reflecting the company's profits growth. Barnes believes that the profitsharing scheme is a "signficant part of our staff's thinking, and people get very excited by

During the 1970s, when Sainsbury was re-appraising its staff control systems, it also embarked on a vigorous pruning of administrative staff. Putting more control in the store managers' grasp — and re-organising distribution and other non-retail functions — enabled staff numbers in the headquarters and distribution divisions to be lower now than five years ago. Yet total staff numbers have risen sharply over the past few years.

This seeming paradox is explained by the demands of handling the surge in volume sales over the past few years, plus an extensive new store opening programme. Sainsbury's philosophy has always been to set standards of service and operation which it believes should be maintained whatever the level of trade. Thus, as trade has steadily risen over the past few years so extra staff have been needed to maintain standards. Yet at the same time staff are still being more have been 0.5 per cent less and productive per head than ever pre-tax profits down by some

Sainsbury boosted its volume times. Thus, if a particularly sales from 1978 onwards through heavy volume of trade is fore- an aggressive advertising and seen—either for local reasons or marketing campaign, spear-because of a Bank Holiday—the headed by its "Discount" pricecutting promotions, as well as opening new stores. Not only did it add some 900,000 square feet of selling space over the past five years, but the average

size of store now being opened is much larger than previously, Larger stores of 25,000 sq ft or more carry roughly the same fixed overheads as a store of about 15,000 sq ft. But the increase in volume sales means a significant increase in produc-

tivity per employee.

Sainsbury has also increased productivity in a number of other ways. More attention has been focused on transferring goods from delivery vans into stores, and the whole distribution system has been stream-Refrigerated display cabinets have been specially designed to increase their cubic sales space without losing refrigeration.

Consistent

The key question for Sains-bury now is whether it can keep up with its productivity gains. The company obviously believes it can. Aithough at this stage it is still cautious about the benefit of new laser-scanning electronic checkouts, it does foresee considerable improvements in computer and communication systems technology over the next decade. "The greater control of stocks and the shorter ordering lead-time that follows will inevitably lead to greater productivity," Barnes

Sainsbury also has considerable opportunities to increase the ratio of superstores to supermarkets in its property portfolio. At present it has some eight superstores.

But the most crucial element in the company's productivity performance has been and remains simply the overall Sainsbury philosophy of consistently paying attention to detail. After 112 years pursuing such a consistent policy, there seems little reason to change

The result of this commitment has paid off in profits. Sainsbury calculates that without its productivity gains in the last half year, margins would

Management abstracts

ted. T. C. Carbone in Managerial Planning (U.S.), May/Jun 81: p. 24 (3) pages,

Reviews McGregor's motivational concepts of managerial styles, and outlines their relevance to the life-cycle theory of leadership; contends that too many managers see X and Y as mutually exclusive behaviours. Argues, instead, that a flexible approach, related to employees progress on a learning curve from immaturity to maturity provides a more realistic

Self - financing productivity schemes. E. Boyle in Manage ment Services (UK), Jun 81: p. 6 (5 pages, illus., tables) Describes a survey of manu-

facturing companies in Northern Ireland that have introduced self-financing schemes; discusses the move away from work-measured schemes for blue-collar workers to multi-factor ones covering output, costs, and quality; finds a greater interest in such schemes in large firms, and notes differences between small and large companies in the type of schemes favoured; reproduces the questionnaire.

Total productivity's link with pay. T. Husband + A. Ghobadian in Management Decision (UK), Vol 18 No. 6: p. 287 (8 pages, charts, tables)

Examines the value measuring, and the difficulties in defining, the total productivity of a company; suggests factors for calculating productivity and interpreting results. Shows how an incentive bonus scheme can be linked with a productivity index.

Zero-base budgeting for planned organisational decline. J. V. Pearson + R. J. Michael in Long Range Planning (UK), Jun 81: p. 68 (81 pages, chart, tables)

Foresees continuing pressure on local/central government to reduce the scale of its services; looks at techniques for managing this decline, and rejects as unsatisfactory first-in/last-out staff cuts, recruitment freezes. across-the-board cuts, and productivity criteria; supports the use of zero-base budgeting, and discusses how it might operate.

These abstracts are condensed from the abstracting journals published by Anbar Hanagement Publications original articles may be obtained at £2.50 each (including VAT and p + p; cash with order) from Anhar, PO

BUILDING AND CIVIL ENGINEERING

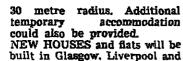
eering of Merseyside (sub- temporary sidiary of Royal Bos Kalis West- could also be provided. minister nv) has received a NEW HOUSES and flats will be £10m order for a jack-up accommodation / maintenance Southampton by Bos Kalis Westplatform from Boele Bolnes minster Construction which Shipyard, the Netherlands. values the three schemes at Designed by Marine Struc- around £3m.

sidiary company) the platform is capable of operating in 40 metre depths, is able to withstand extreme storm conditions, and has been fashioned with flexibility in mind, so that the individual requirements of either accommodation and craneage, or accommodation only, can be provided.

In the first of these two modes, the jack up will be able to house a workforce of up to 80 in addition to the 22 man service crew. By dispensing with the heavy-duty maintepance crane (with a lifting capacity of 80 tonnes at 30 metre radius) the accommoda-tion can be extended to cater for 300.

Shell Expro has placed a contract for the use of the plat-form which immediately after commissioning will go to the Leman Bank field for maintenance work on the Leman struc-

Principal dimensions of the platform are 40 by 40 by 5 metres draft, 71 metre long legs, permanent accommodation for 72 personnel, and an Olympic ringer crane with a lifting capacity of 88 tonnes at



built in Glasgow, Liverpool and The company will build 77

flats on two sites in Swaythling, Southampton for the Swaythling Housing Society under a £1.2m Largest housing development

in this new batch of work is a £1.1m project for the erection of 60 traditional dwellings at Whitefield Road, Liverpool, for project starts this mouth in the Liver Housing Association. Another traditional housing Liverpool on a site facing Max

family houses will be built under a £490,000 contract for Mersey-

Mowlem awards

CONTRACTS WORTH #4m for work in Devon and Cornwall have been awarded to Mowlem subsidiary E. Thomas and

Company. In Devon is a £234,000 flood alleviation project for the second stage of the Kenwith Valley scheme at Bideford for Torridge District Council, and a £312,000 extension to Devonport's telephone exchange for

British Telecom. Work in Cornwall includes a £2m drainage scheme at Wade-bridge; advance workshops at Penzance and factory extension at Hayle (total value of £300,000): a £150,000 shop and office development for Chantry Keys Securities; modernisation of homes (£22,000) at Newlyn; £330,000 worth at Carbis Bay for hotel extension and new ambulance station; £200,000 modernisation scheme at St. Erth for St. Ivel: and a £150,000 contract to strengthen part of the breakwater at Bude.

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and why. You'll be living with the word processor you choose for a long, long time.
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Bos Kalis variety Boost for R. M. Douglas

A MAJOR motorway job, valued at £5m, is the largest award in a new batch of work with a total value of £13m just won by R. M. Douglas, Birmingham. The company will start next month on the 43 week M5 reconstruction scheme, Baughton to Strensham, Junction M50 for Hereford and Worcester County

Council. trial buildings at Broadbridge Heath, Horsham for Lawson Hunt Developments. Work has already started on this 45 week

A £1.78m award is for indus-

ordered by the Welsh Health Technical Services Organisation for the Morriston Hospital, Swansea, under an award worth £1,1m.

At Sherburn-in-Elmet, near Selby, the company has a fim job to build a grain mill on which work is about to start with a contract period of 48

A number of varied, smaller schemes make up the overall total of £13m.

University of West Indies at St.

4480 square metres floor area

elevated walkway and a foun-

Work in the UK for French

Kier Construction includes a

French Kier widespread

COMPANIES in the French This company also has a £2.7m Kier Group have more than award for the construction of film worth of new contracts, an additional facility for the with the major award of £6.6m University of West Indies at St going to Kier International for the construction of a power Augustine, Trinidad, to provide station on Das Island, offshore a reinforced concrete framed from Abu Dhabi, United Arab structure of four storeys with a

The contract, for Abu Dhabi with basement, solar panels, an Marine Operating Company (ADMA-OPCO) comprises the tain complete civil and building Wo works for the power station and Kier electrical distribution network £1.6m staff residential complex upgrade. It includes the instal-lation of gas turbines and all Hospital, and a fim special care ancillary equipment, supplied baby unit at All Saints Hospital under a separate contract.

Sunley in the City

undertaken by Bernard Sunley and Sons, at Fountain House, windows; the mechanical and 130, Fenchurch Street, in the 130, Fenchurch Street, in the upgraded and a new sprinkler insurance sector of the City of system provided to basement

Work for Stewart Wrightson will be carried out while the lobbies, toilets and staircases.

A MAJOR refurbishment There will be repairs to and scheme, valued at £5m, will be replacement of external stone cladding, curtain walking and

Architect for the project is the Thomas Saunders Partner-16-storey building remains ship, quantity surveyor is David occupied, and involves sub-Belfield Everest, and Edward stantial refurbishment to lift Erdman act as project

Work for Wates

A NUMBER of new contracts in maisonettes under a £543,000 both the private and public deal with Rodlingsea Housing for Wates Special Works, including a £4m refurbishment project for Spillers Trustees.

The Worshipful Company of Estate for external renovations Goldsmiths has appointed the ceight three-storey post-war company to carry out another partially occupied blocks. refurbishment scheme at Gold- Major refurbishment of a land Street, London W1 for the restoration of 17 listed rooms National Water Council brings which will be incorporated within another £164,000.

be converted into 26 flats and run for 80 weeks.

sectors total more than £4im Society.
for Wates Special Works, in- Valued at just over £1m is a

JUST PUBLISHED by the in concrete, which deals with the causes, identification and prevention of blemishes in the smith's Hall in the City at a Regency terrace at 7-10 Concost of about £150,000. Upgrad-naught Place is worth £22m and surface of formed concrete both ing Devon House, Great Port- provides for the retention and precast and in situ. n another £164,000. in the 28 luxury residences. At Commercial Road, London Work is for Co-Partnership E14 the "Sailor's Palace" is to Property Developments and will

What's new in building reaching walls, stack pipes,

gutters, and so on. Made from aluminium tube

fittings on to a roof rack.

new buildings incorporate

fashioned specifically to clients' exact dimensional requirements. More from the company at Widespan

Works, Sherburn, Malton, North Yorks (094 44 421).

SAID TO be a high-perform-

ance membrane suitable for tanking and damp-proofing retaining walls and solid con-

crete floors is DampSeal pro-

duced by Marley Waterproof-ing Products, PO Box 17, Otford Sevenoaks, Kent (9732 51633).

Combination of polypro-pylene and pitch polymer as-

sures toughness and the com-

pany says DampSeal has a

puncture resistance three

times as great as 1000 guage

low-density polythene.
It is packaged in 15 by one

metre rolls which are simply

rolled into position on site

so that each adjacent edge

tapered main



Readyscaf Windowdeck

A PORTABLE scaffold unit which haugs out of the window has been introduced by Ready Scaffolding of Mitcham, Surrey (01-640 8792). Known as Windowdeck, it

is a sectional frame scaffold unit plus platform board with attached folding handrail, designed for access to the exterior of windows for painting and repairs without the need for expensive scaffolding from ground level. The company says its pro-

duct can be easily erected by one person from inside a room (including fixing the folding handrail in position). obviating methods of access or fixing from outside. As well as normal access

use from sash windows it can also be joined to a second unit from an adjoining window and-with the addition of a handrail and scaffold boards or stagings, depending on width provides a complete working platform for

slightly overlaps. A screed can be applied immediately after installation. INSULATED PANELS made by Panelcraft in Holland are now available in the UK from Coolage Marketing (part of Tarmac), PO Box 3, Charleston,

Glossop, Derbyshire (04574

61611). Made from glass-fibre remforced polymer concrete (GRPC) the product is said to be lighter and stronger than its precast concrete counterpart and has uses ranging from replacing defective pre-cast concrete cladding through to addi-tions in new buildings including

Around the industry

Cement and Concrete Association is The control of blemishes Slough (quoting ref 47,103).

It is intended to be used on

offices, supermarkets, banks and a footbridge.

and alloy fittings, Window-deck is lightweight and folds ALTHOUGH MANY of us have stuck kitchen cooking foil behind our radiators, a back for easy transport, even more professional appearance comes with a product called Reflectafoam from Piccadilly Leisure Sales, 199 Piccadilly, WARD BROTHERS has introduced a new Atlas range of London W1. industrial buildings to com-Introduced to save the plement its existing Wideenergy lost in heating small areas of wall, and already in span structures. Designed for use in factories, warehouses and supermarkets, the

use in commercial and industrial locations throughout the UK, the material combines insulating properties of closed cell foam with the reflective qualities of an aluminised surface.

Fixed shoply without un-binging a radiator, it is sup-plied in lengths of 13 ft by 41 ft wide—sufficient for three standard radiators—at about £5.95 from DIY shops and hardware merchants.



Reflectatoam being fixed on sticky pads

THE BRICKETPRESSE (this page December 21), used for converting old newspapers into fire bricks, can be obtained from Waits of Calcot, Environment House, Bath Road, Calcot, Reading, Berkshire (0734 411646).

Fully illustrated, it costs says that the £3m contract was £2.25 and is available from the C & CA at Wexham Springs, month programme.

JOHN LELLIOTT has now BRITAIN'S FIRST National handed over St. Magnus House, Glazing Exhibition, specifically Lower Thames Street, in the for windows, patio doors and City of London, to Midland safety glazing, will be at the Bank International. The com- Cunard International Hotel It is intended to be used on site or in precast works to identify blemishes that may arise, and to prevent their recurrence.

Bank International. The company Cunaru International Process in the company acted as management fee Hammersmith, March 4-7 inclusive (public admitted on ten-storey building in the form March 6 and 7 only). More from cof a bank operations centre and Sylvia Macdonald 01-686 2599.

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Work has started on an £800,000 scheme at Mayday Hospital, Croydon for the South West Thames Regional Health Authority, for three-storey residential accommodation com-prising 84 bedsitting rooms. Three infill housing contracts

Lewisham. Another three contracts, to gether worth £1.2m, are for work in Scotland, including ? £{m plus scheme for buildin: and refurbishment at S' Andrews Road and McCulloch Street, Glasgow, for the Pollockshields Housing Association. Alterations to Edinburgh Air port's terminal building are being carried out under £350,000 award from the Britisi Airports Authority and on a site bounded by Portland Street and Cheapside Street ir Kilmarnock the company's Scottish region is building

with a total value of more than £1.1m have been awarded by

the London Borough d

shell" stage for Abbey Life Assurance under a \$300,000 con-LYTAG LIMITED
The British company which has signed an agreemen: with Dutch PGEM in advise on a power station in Holler' is Lytag of Hamel Hempstead, and not Lytag as stated on this page of December 21.

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Monday January 11, 1982

E G I U M

A new Government, pledged to a tough economic recovery programme, is taking over at a time when either success or failure could significantly alter the course of modern Belgium. It could, with luck, lead the nation away from political and economic chaos, or provoke on the other hand a dangerous widening of the gap that already seriously divides the country's Flemish and French-speaking communities.

The new men face a rough future

By Giles Merritt and Larry Klinger

BELGIUM HAS a new government. It is not just a new coalition in the sense of being the 38th filmsy political patchwork in 37 years, it is a new style, firm government of the

It is arguably the most im-portant development in the country's affairs for some years, fer it can be looked at in two ways, either of which could change the face of Belgium.

The new Christian Democrat-Liberal administration an said for the new streamlined nounced by Mr. Wilfried Government Not least is that Martens in the pre-Christmas unlike most Belgian coalitions, luft of 1981 could with luck be it does not represent some 80 the strong Government that the per cent of political opinion and required has been backless for these form does not represent the country has been looking for therefore does not contain the since the mid-1970s to lead it seeds of its own destruction away from political and eco. The members of the new since the mid-1970s to lead it seeds of its own destruction might surprise the Turks, let Socialist, is liable to react away from political and eco. The members of the new alone many other EEC member sharply. The very real danger nomic chaos. Alternatively, it government are unusual in Bel- states—to refer to itself as the is that the separatist pressures

Belgism apart.
The two possibilities are startly different, and it may well be that the re-appearance of the evergreen 45-year-old Mr Martens at the head of what is his fifth government in less than three years is largely respossible for the undramatic fashion in which many Belgiams have observed the arrival of the new regime. In terms of popular impact, fartens V, as the new coalition s laconically referred to, has so far been neither less nor more controversial than of Mr Mark Eyskens that intervened between the two.

So why should this latest Belgian government be so much more important? The reasons straightforward enough. This one lacks the participa-tion of Belgium's Socialists, which is to say that the most powerful representatives of the country's francophone Walloon population are excluded from office. The idea is that without the drag of Parti Socialiste participation in government, the Centre-Right coalition of Christian democrats and even more conservative Liberals will be able to cut government spending and restore sound management of the economy.

gian politics — they all think much alike. On a practical level, this government is also committed to tackling economic problems that if allowed to drift out of control any longer could prove disastrous.

are as follows. It will cut back hard on Belgium's runaway government budget deficit, reducing it in 1982 to only BFr 200bn by cutting away a likely BFr 127bn in projected spending. Adopting a modified "supply side" approach, it plans to regenerate industrial investment and stimulate exports through selective tax cuts. It also plans to "price Belgium back" into renewed economic activity by modifying the index-linked wage increases system launched 60 years ago, with the object of making Belgian workers accept real wages moderation and even cuts. In what, for Belgium, looks like a blueprint for government by "diktat," the new coalition intends to slice through the country's talking shop parlia-mentnary procedures and award special designed to override the debating that can delay executive

Wealthy

For all its faults, Belgium is still a remarkably wealthy country with about the third or it has been eating its seed corn for at least the past five years and now tends though this might surprise the Turks, let alone many other EEC member

sick man of Europe. For many Belgians, the Martens V regime is just what the doctor ordered. If the new government can reverse the trend of public indebtedness that is dragging the entire economy downward The four major planks of the new administration's platform and at the same time streamline industry so that its international competitivity is maintained and even sharpened, then its somewhat draconian charac-

ter will have been justified. The snag in all this is that dispensing with the support of the country's Socialists, par-ticularly the Walloon Socialists, is very much a two-edged sword. The Socialists may well have been a drag on the stream-lining of public spending that could have averted the present deep economic crisis in Belgium, but their drag was that of a sea anchor. Without their involvement in government, the coalition becomes inherently unstable.

The problem is much more profound than the possibility that a Belgian Government used to being a forum for most political opinion suddenly finding itself turned broadside on the waves of dissent. For the cuts that the tough Centre-Right coalition says it is deter-mined to make will inevitably fall the heaviest on the Walloon Socialists' political constituency. In addition to defence spending, where reductions inevitably would worsen Belgium's position as a weak fourth highest standard of link in the Nato chain, the axe living in Western Europe. Yet is likely to fall on infrastructure spending and even on dole benefits. Wallonia, where nearly

A NATION DIVIDED Total 212 Seats A = FLEMISH B = FRENCH NEW Brussels OLD Christian Democrats SOCIALISTS Flemish speaking LIBERALS FEDERALISTS & SEPARATISTS **避French**

that have been building up there could be triggered by the actions of a government that Walloons regard as "undemo-

The need for the special powers sought by the new Government has already been rigorously questioned in the House of Representatives, especially, but not exclusively, by the Socialists, and the proposals still must be examined by the Senate.

The Government convinced, however, that its majority in the House-albeit a slim six—will hold and is aiming for final overall parliamentary approval by

Responsible

The Cabinet is further The Cabinet is further Despite signs that workers encouraged by signs that a are increasingly reluctant to significant portion of the Opposition, while pleased to be seen to make stern speeches against the measures, are actually in favour of the economic programme as long as they cannot be held responsible the electorate for its

According to the Government, the most telling argument in favour of the granting of ment could, by a simple majority, revoke them at any time. Not only would the special powers disappear at a stroke, so would the Govern-ment. It would be forced to of the many issues that continue

resign immediately, says the Cabinet.
Mr Martens and his col-

leagues feel that the greatest danger to its programme, and the stability of the country, will come when the measures begin to bite and they are acutely aware that the country's divided political and social structure presents ample opportunity for serious quarrels to erupt at any time.

figuration can conjure up a successful way to cut public spending while at the same time granting tax concessions and limiting rises in taxable incomes and control the rise in unemployment—now at the top of the EEC league at 13 per cent—it might escape the threat of widespread strikes.

take action that might mean the possibly irrevocable disappearance of more jobs, protest stoppages can break out at any moment, especially in the economically depressed, steelbased South.

There already exists a dangerous precedent. In the winter of 1960-61 proposals to modify municipal workers' pen-sion schemes led to an outbreak of stoppages that quickly spread national strike proportions and toppled a Christian Democrat-Liberal government similar to today's.

Moreover, there remains the constant possibility that any one

and French-speaking communi-ties could break the Government and, in the current mood,

dangerously split the country. There is also a growing apprehension that, if the current Government came so to under-represent the Left-leaning South, the French-speaking radicals might try to use the newly established system of regional government to promote an unconstitutional Opposition If the new Centre-Right conto central government, if not

actual separatism. On the other hand, there remains a powerful tradition of moderation and measured thought in Belgium: one often hears with the ring of truth that "even Belgian radicals are

Predictions

A long list has been built up over the years of predictions wrongly forecasting the destruction of Belgium as a unified nation. Logic has suggested that the country should have split up years ago, or even now. But the cultural attachments of the two communities should not be confused with real political motivation.

While there is always a real danger that any one issue could spark an irrevocable trend towards separatism, the Belgians on reflection, seem in the end to prefer the independence their uneasy union gives them from

their neighbours We dislike the idea of be- friendly arrangement.'

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State finances: pressure to

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balance the books Inflation and unemployme highest jobless total

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Regions: "home rule" at last The Belgian way of life

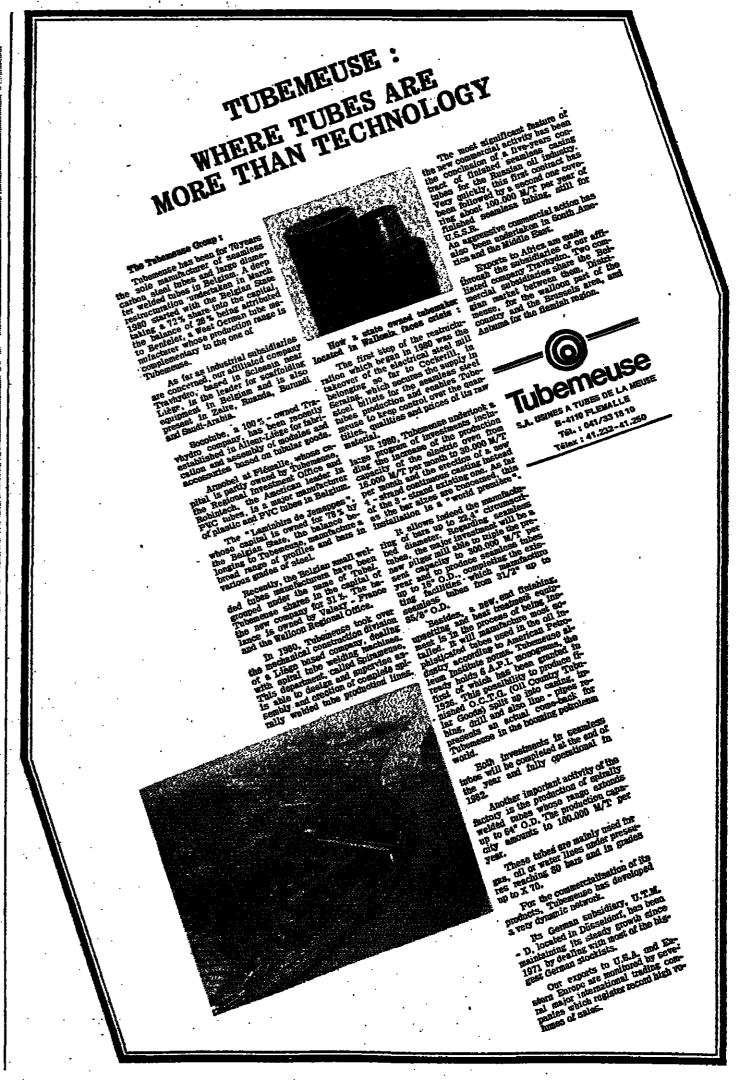
An evening out in Brussels Businessman's guide

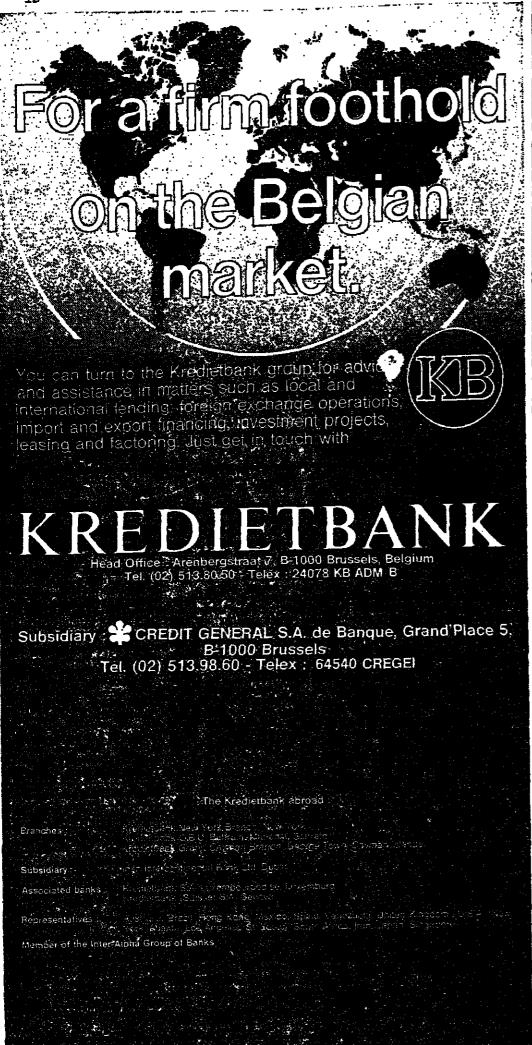
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coming a small part of either the Netherlands, France or Germany, probably as much as they would dislike having us," says a leading Flemish politician. 'In one sense, it is all a very



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An economy in crisis

Pressure on government to balance its books

BASIC STATISTICS

WHEN BELGIANS speak wist-fully of the smack of firm Government that they hope Mr Wilfried Martens' new coalition will administer to their disorderly economy, they usually mean only one thing. They hope that, above all, the Centre-Right Government will tackle the

country's runaway public debt. For Belgium's snowballing state deficit is the nub of the economic crisis. Until and unless the rate of Government spending is reined in. the country's recovery will be forfeit. As the Societe Generale de Banque. largest of the clearing banks and most vociferous of all the financial institutions in its calls for austerity put it recently:
"The nation cannot get away
with mortgaging its future
indefinitely."

Belgium's overall debt position has in the past decade deteriorated at a rate more common to Third World countries than to the highly developed European manufacturing economy that it is. The size of the public debt has gone from BFr 838bn in 1970 to just four times that-BFr 3,129bnin the closing months of last

Dramatic head of Belgium's working population has now climbed to around BFr 750,000. debt, the collective sum that embraces all central Government liabilities, are more dramatic still when placed in an international context. It is calculated that the total debt now represents 56.3 per cent of Belgium's Gross National Product to its growing dependence on

31,000 sq km Population: BFr 3.483bn GDP: (U.S.\$119bn) BFr 353,245 Per capita: (U.S.\$12,080) TRADE (1980) U.S.\$55.024m Exports: U.S.S61.103m Imports: TRADE WITH UK (1980) £2,596.96m Exports: £2.624.11m Imports: Unemployment: 517,000 or 12.7 per cent of labour force 7.8% (Oct '81)

(GNP), which last year stood at around EFr 3,500bn. West Germany's collective debt stands at some 15.5 per cent of GNP, that of the UK is 22.8 per cent and of the U.S. 28.1 per cent. Put another way, public debt per

Foreign exchange reserves: U.S.\$3,990m (Sept '81)

Currency: £ = 72.475 Belgian

francs

The speed with which Belgium's state debt has veered out of control has had a twin effect -the country is more vulner-able than ever to dwindling international confidence, thanks

Battle against devaluation

HOW MUCH longer Belgium a further deterioration in comsecond in August and, most restands at around 15 per cent cently, in the middle of over the past six years.

November, the National Bank Attempts by successive the franc to embarrass and deny speculators their profits. Last year it is believed to have spent BFr 310bn in defence of the

The currency has oscillated up and down its permitted range in the European Monetary System but the downs last much longer than the ups and the franc appears imprisoned by a law of financial gravity. Last month's intervention, which in 24 hours took the franc from the bottom of the EMS grid to the top, will not have cowed the speculators since many believe the political and financial arithmetic seems to point inexorably in the

direction of devaluation. Such is Belgium's traditional reluctance to bow to forced de-valuations and so strong is the conviction in government circles that devaluation is nowhere near the top of the list of necessary economic measures, however, that it would be foolish to draw firm conclusions one

way or the other.

Moreover, it is worth remembering that the Belgian franc has been devalued this year against the currencies of Bel-gium's main trading partners, Germany and the Netherlands. This occurred as a result of the general realignment of EMS currencies on October 5, largely precipitated by the strength of the D-mark and constant specu-lation against the French franc. During these negotiations Belgium's caretaker government came under some pressure from France to join France and Italy in a devaluation. But the Government stood firm, arguing that such a major policy decision was beyond its authority.

Depreciation

the DM and the Dutch guilder, which were revalued by 5.5 per cent, while it was revalued by 3 per cent against the French franc and the Italian lira, which were devalued by this amount. Kredietbank has estimated that the effective depreciation

of the Belgian franc resulting from the realignment was increase around 1.5 per cent. More The d significantly, it pinpoints the rent circumstances by estimating that the resulting increase in consumer prices will be 0.5 per cept with an additional inflation effect of 1 per cent. This stems from the country's wage indexation system which rapidly reflects increases in domestic prices and then adds to them by raising wages in a classic wage-price spiral.

The political/financial consensus in Belgium is convinced that without major changes in the indexation system a devaluation would bring few benefits. Higher import prices would lead to higher wages and

can stave off a devaluation has petitiveness. This is a sacrifice become popular speculation, and which the economy cannot clearly not just in Brussels. On afford since the decline of at least three occasions last Belgium's price competitiveness year, the first in February, the in its major markets already

has intervened massively behind Belgian coalition governments over the past year to revise the indexation system have foundered in the implacable opposition of the trade unions and the Francophone Socialists. The Christian Democrats-Liberal coalition headed by Wilfried Martens is seeking to achieve real reforms and the attempt to win public acceptance will be a real test of the legitimacy of this government. If it were to succeed, then some analysts might be tempted to believe that the scene was set

for a devaluation. Deterred

Again, however, the Government might be deterred by the immediate impact of a devaluation on the balance of pay-Belgium's account deficit has been harshly increased by oil price rises on the import side and, on the export side, by sluggish growth in world trade and declining price competitivness.

As a result, the current account deficit looks likely to climb to slightly over 7 per cent of GDP this year, compared with 2.9 per cent in 1979 and an average surplus of 0.4 per cent between 1970-79. This savage deterioration is one factor in the franc's persistent

Another is the enormous rise in the public sector borrowing requirement from 6.5 per cent in 1979 to BFr 530m, or close to 13 per cent of GDP. The determined support of the franc, based increasingly on overseas borrowing, has made the Government financing problem worse because high international interest rates have franc. brought substantial increases in As a result, the Belgian franc interest charges, which this was effectively devalued against year will amount to about half of the borrowing requirement. The political paralysis of the last 18 months has allowed the public finance problem to spin out of control and one of the first priorities of the new Martens government will have to be drastic pruning of public spending possibly allied to tax

The domestic pro-devaluation lobby argues that soaring unemarguments against further ployment (now more than 12 devaluation in Belgium's cur- per cent) has placed an rest circumstances by estimatenormous burden on the ing that the resulting increase country's social security bill and that the problem stems directly from the battle to save the franc.

Real interest rates of 8 or 9 per cent, it is argued, have brought huge bankruptcies and unemployment and, this year, a decline in GDP. Devaluation, it is said, would lower interest rates, increase exports and give a new lease of life to the Belgian economy. The move would, they say, have to be accompanied by selective controls on prices and incomes.

John Wyles

foreign porrowings, while its uncertain domestic politics are also made more volatile.

On the domestic front the problem has been that the political and economic rivalries separating the Dutch-speaking Flemish and francophone Walloon communities have prevented reform of government spending practices. Each side jealously guards its existing share of public disbursement, so that Belgium has been dead-locked into a pattern of rising state expenditure at a time because of the recession. Equally, the same issue of public indebtedness has been the one that has made Belgium's coalition governments so vulnerable to collapse.

The economic effects of that have been serious, and failing in turn lead to further company failures.

Crowded out

The key to this fission, it sug-ests, is the speed with which industry is being crowded out of the domestic capital market by the state's demands. In 1975 the state accounted for less than half of Belgium's gross borrowing requirements-BFrs 158bn out of a total BFrs 355bn, with the balance of BFr 197bn going to corporations and individuals. By 1980 the state's demands had gone to BFr 409bn on a gross figure of BFr 640bn, so that the state was mopping up almost twice as much as industry. To drive the point home thoroughly, the available funds on the domestic market had gone from BFr 322bn in 1975 to BFr 400bn in 1980, and were thus BFr 9bn less than the

state's total requirement. The result has been, of course, that Belgium has in the short period of two years become highly dependent on the Eurohighly dependent on the fairth for 1981 the signs are that caused grave concern when in markets. To finance a net Beglian exports by and large 1975 it rose almost 70 per cent to 208,000 as a result of the postgone from BFr 182.8bn in 1978, markets, although by Belgian oil shock recession. Unhappily, or 6 per cent of GNP, to BFr 413bn, or 11.4 per cent of "stagnation" and accounts for GNP. last year, the Government the country's dip into negative has found itself forced to rely growth with a likely 0.5 perincreasingly on foreign borrow-

Until 1979 Belgium had for a abroad. But in that year the rising tide of state debt and the need to prevent government paper from mopping up too much domestic credit to the forced a reversal of that policy years Belgian-built vehicles, The result today is a foreign machinery and chamical debt that has second arrival. debt that has soared rapidly to about BFr 270bn. An indication of the speed with which the Belgian Government embraced the soft option of foreign horrowing is that for the first half of 1981 the Treasury's foreign currency debt rose by BFr 115bn, while in the corresponding 1980 period it had grown by just BFr 73bn. Belgium is now caught between a domestic capital market that many Brussels

bankers are describing as "saturated" by the public sector demands still being made on it and an international capital market that is beginning informally to debate the state's Triple A borrower status. Belgian economic analysts have, since the latter half of the seventies, been warning that the Government's indebtedness cannot contitue to grow so exponentially. It looks as if the moment of truth they cautioned against is fast approaching — either the Martens Government acts to bring the books back towards balance or the worried world markets will begin to place great pressure on the Belgian

receipts were falling

turnaround such as that being aimed at by the new Martens government could be disastrous. Societe Generale de Banque has now warned that Belgium would witness what it terms an "implosion" of the economy, a chain reaction in which company failures will drastically reduce the level of state revenues, and which will

The out of work queue up in Brussels: the problem is to maintain competicity while protecting jobs Highest jobless

BELGIUM'S inflation rate, com mented a leading Brussels bank recently, "is probably the only positive factor in the Belgian economy." The figures seem to bear out that statement. The

rate eased last year to 6.5 per cent from 1980's 6.7 per cent and could be heading back towards the 4.6 per cent of 1979.

Beigium's German-style inflation rate is much more a matter of necessity than virtue. With Belgian exports accounting for maker more than helf of all inrather more than half of all in-dustrial output and West Ger-many and the Netherlands tak-ing over 40 per cent of those

exports, retaining a competitive edge with those two trading partners is crucial. Exports are the Belgian economy's lifeline. Their importance accounts for the country's other notable economic achievement—a Japanesestyle performance which during the 1970s saw productivity improve by approaching 90 per cent overall. In the face of shrinking demand world-wide

and resentment by some industrialised countries at Belgium's disproportionate share of their own domestic markets. Belgium's export industries during the trade doldrums of 1980 nevertheless boosted their foreign sales by 3.1 per cent in volume and 13.5 per cent in

Stagnation

For 1981 the signs are that standards that is regarded as cent drop in the Gross National Product.

The broad picture of Belgium's export-led performance in recent years is, however, impressive, for it rightly conveys the image of a small but highly industrialised economy that has adapted well to shiftmachinery and chemicals have taken up the slack left first by the alling textiles industry and now by steel.

The reverse side of this coin, though, is that the deflationary situation and the productivity gains have led to a staggering rease in unemployment—and funding that is largely responsible for the Government deficit now weighing down the whole economy. With Belgium's wage rates now reckoned to be the

UNEMPLOYMENT BY REGION

e's Triple	December 1980	(°800s
Belgian ve, since	Total unemployment	436.
seventies, e Govern- innot con-	Flemish region Walloon region Brussels region	238. 148. 43.
omentially, oment of against is sither the acts to towards led world to place e Belgian	Antwerp Brabant Hainault Liege Limbourg Luxembourg Namur East Flanders West Flanders	62. 86. 65. 54. 42. 6. 13. 55.
G. M.	Source : Eurostat	

rate in Europe

EMPLOYMENT 1980 ('000)

Civilian labour force 3,128 Civilian employees BY SECTOR

% of total civilian '000 employees Agriculture 38.3 Industry 61.3 1,918

Source: Eurostat

highest in the industrialised world, outstripping even Sweden's, the response of employers has been to pare their workforces to the bone. To put Belgium's productivity achievement into perspective, it has unfortunately been a matter of fewer workers producing much the same volume of goods, rather than the same number of workers producing a steadily expanding volume.

The steep rise in the numbers out of work has shot Belgium to the top of the league in the EEC. In 1974 registered unemployment stood at 124,000 and caused grave concern when in its momentum has never fal-"stagnation" and accounts for tered, however, and the total now stands at well over 500,000. with working age men currently accounting for the rising curve at a faster rate than any other section of the population.

Last year it gathered speed at a pace hard to credit, the rate rising from just over 10 per cent to around 13 per cent. according to EEC figures.

Political trouble over unem ployment-the levels are expected to rise still further—cannot be ruled out. There remain large sections of francophone Wallouia's steel and engineering industries still vulnerable to shakeout or even closure. Generous benefits have so far defused resentment but the new mix of structural youth unemployment and the laying off of skilled men is clearly a volatile

Belgium's hew Government now has the task of steering the economy between the Scylla of this worsening jobs crisis and the Charybdis of Josing its vital export markets through taking measures that might improve employment at the expense of competivity.

It is too early to tell how the Martens administration's planned economic measures will affect either problem. The tax cuts and incentives being proposed are aimed at encouraging new industrial investment and stimulating exports but the cut-backs on public spending required to limit this year's budget deficit for the state to about two-thirds of what it would otherwise have been are certain to cost dearly in public sector employment.

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BELGIUM III

Belgian charms wear thin for foreign investment

PERHAPS countries, like city neighbourhoods, go through periods of being fashionable. A combination of advantages, some real, some imagined, may for a decade or so draw in foreigners and foreign invest-ment all auxious to share the same address. Then the attrac-tion starts to sour, one or two good names leave, property values start to fall and a general decline sets in.

This is becoming the story of Belgium over the last 20 years. Brossels, in particular, was transformed in the early ·1960s by naive expectations that it was destined to be the capital of Europe. Thousands of Eurocrats moved in to work for the EEC Institutions and in their wake came the multinational companies anxious to keep close to what might be a political giant but also aware that Belgium's geographical location made it suitable for European

Manufacturing investment some, too, so that in the 1960s 30 per cent of all factories in Belgium were built by foreigners. As a result, foreign firms now account for one manufacturing job in three, a third of the country's exports and 45 per cent of total in-dustrial assets.

For the foreign investor, however, Belgium's charms however, Belgium's charms have been fading. The de-pressed commercial property market in Brussels indicator, the number of multinationals, from RCA to General Electric from Gulf Oil to Sheraton Hotels, which have moved their administrative headquarters elsewhere, is

In the early 1970s foreign investment annually created 6,000 manufacturing jobs. Last year, the figure was little more than 500. The loss of American goodwill is particularly marked. Between 1959 and 1968 Between 1959 and 1968 American companies provided 65 per cent of all foreign investment in Belgium. In 1979, they accounted for only 29 per cent of the total.

With Belgian unemployment country looking forward to minimal growth over the next most vividly highlighted by a two to three years, this is wide-ranging survey published clearly the wrong time for the country to go out of fashion. In business fashion can be somewhat more precisely defined than in other areas. Foreign

				-
BANKING (BFr bn)	.1978	1979	1980	1981
Banque Bruxelles Lambert:	(yea	r ending	Septemb	er 30)
Unconsolidated balance sheet .		613	692	832
Consolidated balance sheet	_	642	. 753	924
Unconsolidated net profit	. —	706	304	723
Consolidated net profit	_	1,040	512	1,112
Societe Generale de Banque:	(yea	r ending	Decembe	er 31)
Unconsolidated balance sheet .	748	856	1.002	
Consolidated balance sheet	797	922	1,080	· —
Unconsolidated net profit	1.892	1.990	1.912	_
Consolidated net profit	1,885	2,085	2,009	-
Kredietbank:	(y	ear endin	g March	31)
Unconsolidated balance sheet .	375	430	486	_

TEN BIGGEST COMPANIES

Unconsolidated net profit Consolidated net profit Solvay: Turnover (BFr m)

Union Chimique Belge: Turnover (BFr bn) Net profit (BFr m) Profit (BFr bn) Assets (total) (BFr bn) Net profit (BFr m) RETAILING GB/INNO/BM:

† January-June. ‡ Industrial net consolidated without holding

† To end-November

Intercom: undisclosed Profit (BFr bn) investment poured into Bel- the survey believed that the factors originally attracting them to Belgium were no longer

gium because of its location facilitating distribution throughout Europe, the availability of its labour, and the government incentives and subsidies. The foreign-owned manufac-

turing sector now believes. however, that Belgium's comthe highest in Europe and the mercial climate has turned early last year by the American Chamber of Commerce in Bel-

Nearly one quarter of the 457 companies which took part in bill. One of the best produc-

tivity records in Europe has helped to compensate for this, but foreign companies, particu-U.S.-owned companies, have become steadily dis-couraged by the rates of cor-porate and individual taxation. Corporation and other supplementary taxes have carried the taxation rate to above 55 per cent. Added to that is a relatively high rate of personal taxation which has required many American companies to pay a compensating differential to their executives.

This is one reason for the Americans employed in Bel-gium. The Chamber of Comsurvey showed that 33 per cent of American companies in Belgium have reduced their American staffing since 1976. A little over 42 per cent reported no change and 7.6 per cent an increase. Again, the picture is of manufacturers exhibiting the greatest strain: nearly half of those cutting down on their American personnel were from

Overall, companies reducing cited the following main reasons for doing so: the development of local management capability corporate reorganisation, the rising executive compensation costs for Americans and the increased burden of Belgian taxes and social security.

The picture is not one of unremitting gloom. Most of the companies planned to maintain or increase the size of their labour force over the next three or four years. Moreover, the basic strengths which attracted investment (geographical advantages, a reliable and productive workforce) or can be recreated Successive Belgian govern

ments have been aware that the golden goose of foreign invest ment is being frightened off, but efforts to deal with the valid. Sixty seven per cent of structural problems of high taxation and social security costs have fallen foul of the political deadlock of the last two years. The new Martens these malcontents were manufacturers which were princi-pally disenchanted with increases in manufacturing costs government is bound to make some-fresh efforts. If, however, it fails to demonstrate that the Belgian neighbourhood knows the highest in Europe, but employers are increasingly conwhen and how to apply the cerned that non-wage costs necessary lick of paint, then the

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Energy bills swell trade deficit

and the decline in government

(social security, holiday bonuses,

sick pay and so forth) can add

another 50 per cent to the wages

Wages in Belgium are among

incentives and subsidies.

LIPTLE BELGIUM is a big trading nation—a fact, however, that is sharply double-edged. In prosperous times the coun- his new Government that his try's highly productive, export- economic policy was aimed foreorientated industry is able to most at restoring the country's take quick advantage of trading competitiveness abroad. opportunities as they open up throughout the world. Equally, in times of economic recession the setbacks are just as quickly felt and often more severely experienced than in most other

The country is currently struggling in the second of these situations and while the outlook has improved somewhat over the past few months the future can hardly be described

The effects of increasing energy prices coupled with the impact of recession on the country's traditional customers have been stern and swift: an immediate rapid rise in Bel- any control by Belgium, while gium's overall trade deficit with the country's terms of trade a further deterioration in its combinue to deteriorate.

After gradually managing to stabilise its trade deficit followng the 1973-74 off-price shock," Belgium suffered a record trade deficit in 1980 of BFr 210bn, and the latest. figures for the first nine months year. of last year are already showing deficit of nearly BFr 217on. Of this total, BFr 214bn is the result of the country's increasing energy hill, which has ing productivity, and there are leapt by about 50 per cent some signs of increased ecofollowing the second oil-price namic activity. snock in 1979-80.

No resources

Apart from an aged and alling coal industry, Belgium has Kredietbank and no indigenous energy resources of any consequence.

The importance of trade to this nation of only 10m people. becomes sprikingly apparent when its performance is compared with the OECD area's two industrial giants: the U.S. and Japan

With a population of less than a tenth of Japan's and only a twentieth of that of the Belgium's exports and imports are both worth in value. terms nearly 30 per cent of Japan's and more than 50 per cent of those of the U.S.

Both Belgium's exports and imports represent in value terms the equivalent of about 50 per cent of the country's Gross National Product (GNP) against only about 8 per cent for the U.S. and around 105 per cent

Prime Minister Wilfried Martens made crystal clear a his news conference to launch

Dismissing suggestions that the Government's economic recovery plan was deflationary, Mr Martens emphasiesd his proposals to encourage expansion and new investment through try's costs through tex cuts and limited wage rises and to stabilise the Belgian franc through a clampdown on public

The Government's task is formidable, however. Interest P rates remain near record levels in deference to an unstable franc and policles taken in other countries and the price of energy remains virtually outside

The European Commission, in its latest review of the European Community's forecasts a further 5.5 per cent drop in 1981 in Belgium's terms-of-trade position, with a 6.4 per cent deterioration next

Meanwhile, however gium remains a stable, relatively wealthy nation with a long-standing record of improv-

While urging caution and pointing out that the mediumterm outlook is still "fairly gloomy," economists at both of the leading banking groups Generale de Banque report emerging indications of an im-

The country's export potential had been aided, at least in the short term, by the recent realignment of the European Monetary System. This resulted in an overall depreciation of the Belgian franc, most markedly against the currencies of West Germany and the Netherlands, the country's two main trading

During the third quarter of last year industrial output exports have recovered notice-(excluding construction) is estimated at about 3 per cent over its low point at the end of zone last year, with corporate investment beginning to show

stocks is also being reversed as cent in 1981, real GNP will, on

VISIBLĘ	-	1976· n†)	-80	٠.	
WYDODAS	1980	1979	1978	1977	1976
EXPORTS EEC Non-EEC	46.2 18.5	41.0 15.3	32.1 12.8	26.7 10.8	24.2 8.6
	64.7	56.3	44.9	37.5	32.8
IMPORTS EEC Non-EEC	45.3 26.6	38.9 21.6	33.6 15.0	27.3 13.1	24.0 11.5
	71.9	60.5	48.6	40.4	35.5
WORLD	136.6	116.8	93.5	77.9	68.3
BALANCE	-7.2	-4.2	-3.7	-2.9	-2.7
•					

† At average annual rate against the European Unit of Account. Source: European Commission.

1981: THE FIRST NINE MONTHS

	•	Increase on 1980 period	Increase on 1979 period
Total imports Total exports Balance	1,701.3 1,484.4 —216.9†	+ 9.6 + 5.6	+ 21.7 + 16.9

EXPORTS BY DESTINATION Increase on

	•	. All an eacher	
Industrialised countries (EEC)	172.2	85.0 (69.6) 11.6 (5.3) 2.3	+ 3.7 (+ 2.0) + 16.9 (+ 22.3) + 14.9
THE	MAIN COUN	TRIES	j
West Germany	297.5 282.3 221.4 124.5 75.2	20.0 19.0 14.9 8.4 5.7	- 2.7 + 6.6 + 2.9 - 0.5 - 3.2

† BFT 214bn is accounted for by the deficit in energy products.

Source: Belgian National Institute for Statistics.

Opec countries, where Belgian ably because of their increased competitiveness in the dollar

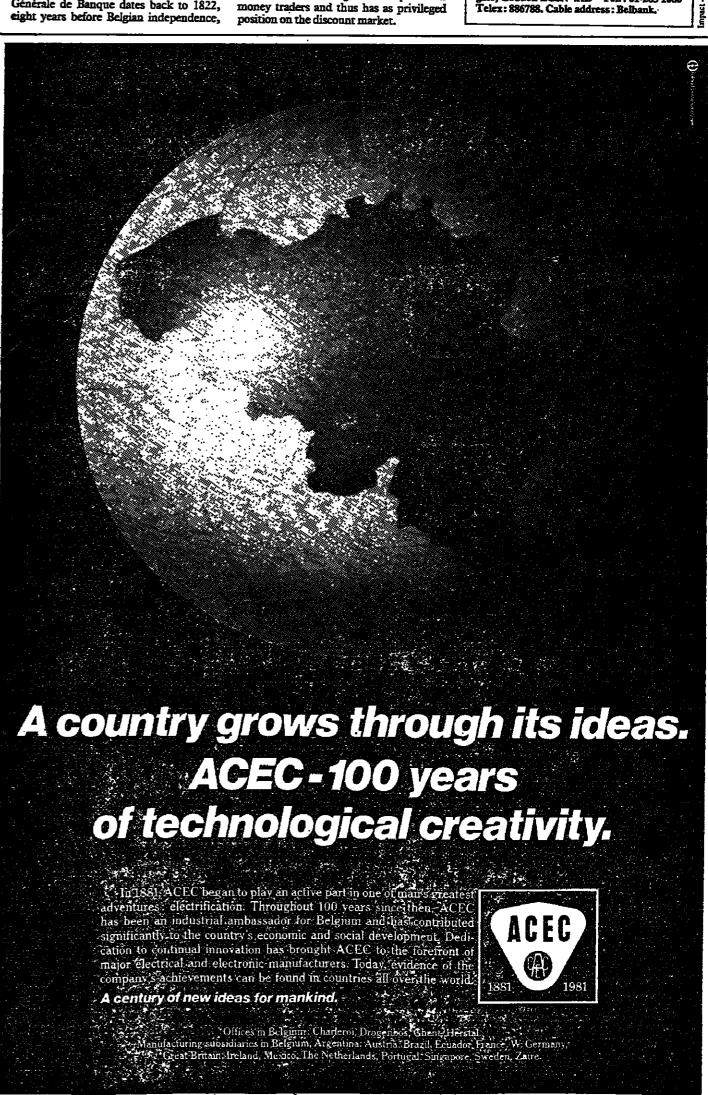
"Taking account of the fairly the majority of European vestment beginning to show signs of recovery.

The recession-inspired depletion of industrial and trade tion of industrial and trade

final demand is improving, average, again be slightly up in especially in the U.S. and 1982."

& of total

Both banks tread warily, however, with Societe Generale stating flatly that while foreign demand could continue to imthe upturn forecast for



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Profiles of key personalities

Streamlined Cabinet is strong in expertise

The new Centre-Right Cabinet installed at the end of the year, is a streamlined version by Belgian standards but at the same time one that is uncharacteristically strong in expertise by the inclusion of two former Prime Ministers from the same party as the current Premier, Mr Wilfried Martens.

Christian The Democrat-Liberai coalition Christian replaced the Democrat-Socialist Government led by Mr Mark Eyskens, who had acted in a caretaker role since the fall of his coalition in September. Mr Eyskens, who was

Finance Minister before succeeding Mr Martens as Prime Minister in the spring,

remains in the new govern-

ment as Economics Minister. Another past Martens rival, former Prime Minister Leo Tindemans, returns to government, after a three-year Foreign Minister. Mr Martens was understood to have wanted both men in his Cabinet to share responsibility for the tough economic measures that the new government plans to

All three men are from the Christian Democrats' powerful Flemish wing, which represents the political majority in the dominant north of the

Mr Tindemans steps in at Foreign Affairs in place of Mr Charles-Ferdinand Nothomb, the French-speaking Christian Democrat who becomes a

Vice-Premier and Minister of the Interior.

While Mr Tindemans's appointment had been widely rumoured, its confirmation was welcomed by those who had been worried that a new coalition might not have had the depth of experience to deal effectively with Bel-gium's six-month term as President of the EEC Council of Ministers, which began on January 1.

Mr Tindemans is one of Belgium's best-known and more experienced leaders who, as a "committed Euro-pean," has headed the Europe-wide Christian Democrat movement since 1976 and has been a Member of the European Parliament for

"FIVE TIMES Prime Minis-

ter" could easily be thought to describe the epitome of a life-long career, but in the

case of Mr Wilfried Martens

it may only signal a point somewhere midway in his

"Five times Prime Minister ---in two and a half years" may also say less about Mr

Martens than it does about

Belgian polities. Belgium has seen 38 governments in as

many years, with the latest already dubbed Martens V in the Belgian nomenclature

used to sort one out from

Nevertheless. Mr Martens remains, at 45, the youngest of the EEC Prime Ministers

political life.

The two other prominent politicians returning to government are both from the Liberals, the conservative party which scored the biggest gains in the Novem-

her 8 general election. Mr Willy de Clercq, the outgoing President of the Flemish wing of the party and twice Finance Minister, twice Finance becomes a Vice-Premier and regains the Finance portfolio.

Mr Jean Gol, the outgoing President of the French-speaking wing of the Liberals who served in one previous government as a junior minister, also becomes a Vice-Premier. with the Justice and the State Reform briefs.

The new 15-member Cabinet -slimmed down at Mr Martens' insistence from the

traditional 22 to 28-member version—is as follows:

 Prime Minister: Wilfried Martens (Flemish Christian Democrat).

Foreign Affairs: Leo Tindemans (Flemish Christian Democrat).

Finance and Foreign Trade: Willy de Clercq (Flemish Liberal).

Economics: Mark Eyskens (Flemish Christian Demo-

 Justice and State Reform: Jean Gol (French Liberal). Interior and Civil Service:

Charles 'erdinand Nothomb (French Christian Democrat) • Defence: Alfred Vreven (Flemish Liberal).

Public Works: Louis Olivier

(French Liberal). Communications: Herman de Croo (Flemish Liberal).

• Employment: Michael Hansenne (French Liberal). • Education: Daniel Coens (Flemish Christian Beme-crat) and Michael Tromont (French Liberal).

Budget, Science and National Pian: Philippe Maystadt (French Christian

Democrat). Brussels Region and Small

Business: Albert Demuyter (French Liberal). Social Affairs and State
Reform: Jean-Lue Dehaene

(Flemish Christian Demo-

L.K.

Tindemans comes in from the cold

former Prime Minister returns as Foreign Minister in the Government formed in December 1981. It is a move that will not only be welcomed by many Belgians but by other Europeans too, for he takes over the key foreign affairs portfolio just as Belgium assumes the presidency of the EEC Council of Ministers.

For Tindemans. approaches his 60th birthday, the decision to serve in the fifth coalition to be led by Mr Wilfried Martens, who ousted him from the Premiership in early 1979, must have been a bittersweet one. The conviction that he himself remains the Flemish Social Christian poli-tician best qualified to lead Belgium toward economic recovery clearly still burns strongly. The appeal of occupying the centre-stage of EEC policymaking as President of the Council of Ministers, however, was evidently too strong

to resist. Leo Tindemans is one of the enduring "barons" of the dominant CVP Social Christian party. His fiefdom is Antwerp and northern Flanders, and in Belgian politics his strength is

dynamic 54-year-old Finance

Minister, returns to national government after leading his

conservative Flemish Liberal

Party to almost unprecedented gains in the Nov-ember 8 general election.

"He is the Liberal party,"

says one leading Flemish politician who also makes

plain that he is not a fan of

"You don't have to like

the man, personally.

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Return of De Clercq

to government

MR WILLY DE CLERCQ, the him to recognise his intelli-

LEO TINDEMANS is back in power and international reputagovernment. After three years tion. An academic reputation in the cold, Belsium's veteran gained at Harvard as well as at Belgian Universities --- and crowned with his well-known report on European unity—has ensured Tindemans a stature that most other Belgian politicians must envy.

The crucial question now, though, is whether or not he can ever make it back to the Prime Minister's offices in Brussels' rue de la Loi. His detractors say be peaked early: he gained the premiership in 1974 at the age of 52 and held it until late 1978 when disagreements inside his government over reforms to tackle the Flemish-Walloon war" forced his resignation and a general election.

His supporters nevertheless reckon that the Foreign Ministry may prove to be a stepping stone on the path back to the top job. Certainly, his appointment appears to be a calculated risk for Mr Martens: while Tindemans remained, sometimes obstructively, outside government as President of the CVP party, such apparent sulkiness steadily eroded the credibility of an eventual comeback. In office, Tindemans' talents are likely to rebuild his political standing.

gence, political ability and

capacity for productive work.

He is an important addition to a government whose task is to

sort out a hard-pressed

He is a chic dresser, preferring tabby-coloured fur coats in contrast to his colleagues' conservative pin-stripes but, in terms of personality, he wears an air of distinct

solemnity.
Indeed, while reading is his declared favourite pastime, it

does not embrace any fiction

but almost entirely comprises

books on finance and reports on international monetary

activities. He sleeps only five

or six hours a night, topped

up with cat-naps, and during

a previous four-year stint as Finance Minister only took 10

Born in Ghent into an industrialist family, he took a

degree in law at the Univer-

sity of Ghent and a Master's

degree at Syracuse University, New York. He entered Parliament in

1958 and has held high office

in several governments, twice

the conservative shift of the

"He is not really a federalist and privately federalist and privately remains a strong unitarist," says a colleague. "He dislikes all controversy. But he is one

L. K.

of our better politicians.

Flemish electorate.

portfolios.

Sundays away from work.

G. M.

King Baudouin of the Belgians, who could become the only "institution" to bridge

the divide between the two

Spitaels is the key opposing leader

THE Socialist Party was "not going to incite revolution," but neither would it remain on the sidelines watching the workers go into action against the Gov-

This was the immediate response to the formation of the new Centre-Right national government from Mr Guy Spitaels, a reaction typical of the moderate leader of the militant French-speaking Socialists. Mr Spitaels, as president of the powerful trade-union sup-ported French wing of the

as Deputy Premier holding either the Finance or Budget Socialist Party, is probably the key leader in the new parlia-One of his rare moves tomentary Opposition. wards controversy has been his increasingly strong stance on regionalism in line with Not only will he figure largely

at national level in whatever action the unions take to oppose the new Government's proposed tough economic measures, he will also be much involved in the policies of the new, directly elected, Socialist - dominated regional Government for the French-speaking south of the country.

The 50-year-old politician was born and reared in the south-western town of Ath and educated in political science and social studies at the Free University of Brussels. He held several distinguished teaching posts while becoming a committed Socialist leader through a 20-year participation in union-sponsored seminars and round-tables.

Senator in 1977, after which he held a succession of posts in national government as Budget Minister and twice Deputy Premier with the Employment

and Communications portfolios.
Though described by detractors as a solon socialiste he has taken a strong stand on estab-lishing the French-speaking tive, "can-do" image both in south as a region with greater autonomy and is expected to be in the forefront of opposition to falls awaiting such a govern-Government economic policy.

"He has been transformed into an uncompromising man on regional policy," says a close colleague of long standing, "but if he can consolidate his party leadership, his radical conversion may be temporary. He is too brilliant to be too

time round for Martens and has again demonstrated considerable political courage by returning to government so soon after being uncere-

Christian Democrat Party. Moreover, his task remains the same as it was in the spring: to steer through his Cabinet and then Parliament a series of potentially highly unpopular economic measures.

moniously dumped as Premier

last spring during a bout of in-fighting within his own

Mr Martens' first coming to prominence and power at once sudden and at the same time the result of years of preparation. He emerged from relative obscurity as Prime Minister after 100 days of political

following deadlock December 1978 general election. He had, however, long been influential behind the

He began his political

career by securing the leadership of Flemish political organisations while studying law at the Catholic University of Louvain. After university, he practised as a barrister in his

home city of Ghent, while working his way up to become president of the powerful Flemish wing of the Christian Democrats. He served as adviser to two prime ministers during

the 1960s, while huilding his current reputation as a noFlemish speakers.

capacity for hard work and political skill are widely acknowledged, he has come under considerable criticism for being indecisive and lacking in forcefulness,

However, following his political battering in the spring (which he received bitterly, but chose not to criticise publicly), he has forcefully seen to it that his main political rivals are included in his Cabinet to share the responsibility for the new Government's tough economic programme.

Royalty plays a central role

crisis, which on average occur matured into an unassuming about once a year. Yet, at the same time, he must be seen to stand apart from party politics both sid and above the almost constant frontier. "linguistic" quarrels between this divided country's Flemish Almost as a measure of his popularity, the only widespread and French-speaking regions.

of his much critcised father, selves "serious" about their Leopold III, who is now 80. king. They wouldn't want him fo

For a time clearly diffident joke, as the British expect their and shy, and visibly upset royalty to do.
during the early years of his "He is als
reign by thoughts that his knowing full

is one of the world's longestreigning monarchs.

The king is constitutionally required to be at the centre of Belgian government some chief). Since then he has man with considerable charm who is widely respected on both sides of the linguistic Almost as a measure of his

criticism of the King is that he By most accounts he has succeeded remarkably well since becoming king more than 30 years ago on the abdication "the Belgian people are them-

"He is also very careful, father should still be on the ance of his words. If he says he

Moreover.

ably worse.

NOW AGED 51, King Baudouin throne, he grasped his role as likes roses, he will have nothing An even more serious business

is his role as mediator and catalyst between Belgium's many and diverse political parties. The King constitutionally must, after extensive con-sultation, designate potential prime ministers who in his view have a chance to form a workable coalition to govern the country.

King Baudonin is also very much aware that he may be the only "institution" able to bridge the divide between the linguistic communities should the country move further towards federalism.

Dilemma for union chief

should

THAT THE windows of M Robert Gillon's office should be rose-tinted and filled with a view of Liege's calm and venerable cathedral of Saint-Paul is deceptive. Gillon, 54year-old leader of the metal workers' Liege area branch of the FGTB trade union, has his sights fixed firmly on Belgium's troubled industrial landscape. Robert Gillon is among the

best-known and most influen-tial trade union chiefs at the head of the FGTB umbrella organisation that groups most of francophone Wallonia's unions. He is thus a highly controversial figure in Belgium today. To Belgian con-servatives and even to his own trade union counterparts in Dutch-speaking Flanders he represents the industrial militancy and muscle that

risks pricing Wallenia's traditional industry out of international markets.

austerity measures planned by the new Centre-Right Martens V coalition government hit too hard at the Liege area's state-supported concerns—notably the alling Cockerill-Sambre steel giant —then Robert Gillon could well emerge as the champion of a breakaway Walloma. Just 21 years ago he was right-hand man to Liege strike leader Mr Andre Renard when Wallonia was last plunged into a bitter and sometimes bloody five-week general strike, and today the conditions that could lead to confrontation are consider-

Softly spoken, trim and youthful looking, Robert Gillon is, however, no rabblerouser. Top executives from Liege's major engineering companies privately pay tribute to his flexibility and intelligence as a negotiator.

and he himself can be generous in his appreclation of their problems. But in the climate of troubled Wallonia, where unemployment in some pockets tops 30 per cent, neither side can afford to voice such moderate sentiments in public. Gillon's importance is that

his "metalle" (metal bashers) membership would most probably be the detonator in any serious explosion of strike action and separatism in the Liege industrial basin. His dilemma, he has indicated, is to exercise damage control on two fronts he must limit the inroads being made into the Liege industrial workforces by recession and government cutback, but he must also strive to limit a militant reaction inside the FGTB that would accelerate Wallonia's decline.

G. M.

Davignon: a politician apart

stands disconcertingly just outside Belgium's domestic political arena and with each successive government crisis becomes the focus of intense speculation as to whether or not he will contest the premiership.

It says much of Belgium's 48-year-old EEC Commissioner that such speculation rarely concerns the possibility that he might relinquish his European Commission responsibilities for EEC industry and energy for any lesser Ministerial post. Davignon's re-entry into active Mr Spitaels, described as a Belgian politics is usually man of "reflection as well as coupled with the idea of a passion," became a provincial Government-of-all-the-talents, a businessmen's administration that would cut through the tangle of the country's Flemish-Walloon community problem and restore discipline to the

economy. The attractions of such an idea are most probably a reflec-Belgium and elsewhere in Europe. For the political pitment are probably deeper in Belgium than in other countries where such notions occasionally

It can in any case be argued quite convincingly that Davignon already contributes as much of Belgium than do many of his compatriots who are Cabinet Ministers. His key role as EEC L. K. Ministers. This key role of time

Viscount when Belgium's major steel at the Brussels Commission. politics.

Polyglot, impressively intelli-gent, urbane and capable of displaying considerable personal charm, Davignon's continued ascent seems assured. Less clear is which career ladder he will choose to climb when, at the end of 1984, he will have completed his second four-year term

Etienne Davignon must often seem their "king over the water." Like some Pretender to their political throne, he said that every able Belgian in public life inevitably nurtures an ambition to become Prime Minister of his country. He is an assiduous member of the DCC France Serial Country. PSC Francophone Social Christian party, yet he lacks that common touch which some say many Belgian politicians have in over-abundance.





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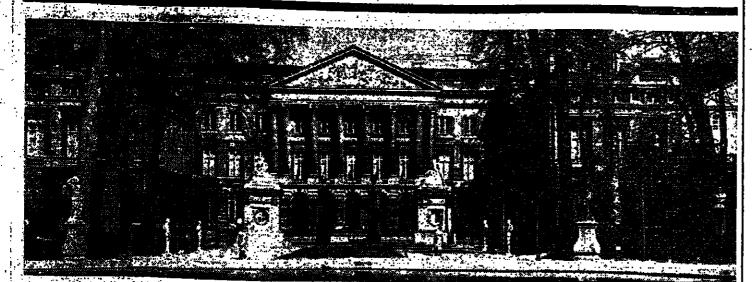
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BELGIUM V



The Houses of Parliament, a fair hearing for all the political parties' opinions makes government a lengthy business

A history of democratic compromises

often strikingly ponderous.

The disagreements between

the country's two linguistic

halves and the proliferation

of diverse political parties and

splinter groups mean that

many voices must be heard

on virtually every issue. Even

debates where the vote is a

Belgium has only existed as a country for little more than 150 years, yet it is a leader in continental Europe the establishment of a tradition of parlia

tionary Provisional Government established an elected National Congress which, by parliamentary

the nation's linguistic comelitist national ad degravitor and to universal adult suffrage continued al-

Today's legislature, holddirectly elected representatives and a Senate of 106 erore nominated by the nine

stretch across weekends and last into the early hours of changes in the Senate's role are being pro-posed under the current

It is this situation that led the recently installed governregional government reform programme, the workings of ment to seek special parlia-mentary powers to implement the Beigian legislature are its economic programme in an Western world's bicameral attempt to speed legislation institutions, with one possible by sidestepping prolonged exception: the completion of

works," says a leading Christian Democrat politician, "it probably produces fairer compromises than anywhere else in the world. This trouble is the almost interminable time it takes to



Rough regionalism: riot police close in on militant Flemish demonstrators seeking special educational adpontages to match those they claim have been given to French-speaking children

'Home rule' for the two regions

BELGIUMCS two regional governments took office at the end of the year the event was received with a mixture of relief and trepida-

The relief was born of the widespread hope that, with some degree of regional autonomy in place, the debflitating tensions between the country's two linguistic communities may now be diffused at national level while each gets on with "home

The trepidation came from the country's traditional dislike for extremism and its inherent conservative wariness of the unknown. The fear is that radicals on both sides of the linguistic frontier could use the. new regional powers to foster a federalism which, if unchecked, could lead to separatism.

This fear, rarely discussed publicly by the nation's leaders, came very close indeed to breaking out fully into the open last

With the date fast approaching for the establishment of the directly elected Regional government yet in place follow ing the inconclusive November 8 general elections, there was a growing feeling that the regions might attempt to fill the vacuum with an assertion of powers not constitutionally specified.

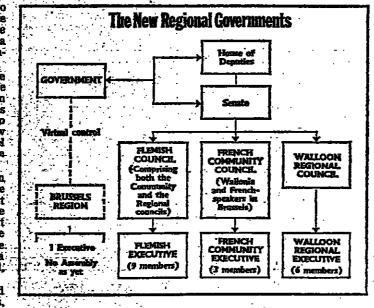
In the event a new national administration was formed, and the regional governments took office on December 22 relatively smoothly, except for a continuing row in French-speaking Wallonia, in the southern half of the country, over the role of the Socialists in the new Regional Executive.

This quarrel, however, is intensely illustrative of the political divisions that permeate Belgian society and the difficulties in resolving them even when, as in this case, the argument is confined to a single linguistic section of the country. The composition of the execu-

tives now in place must legally reflect the political composition of the directly elected portion of the national Senate, but they are too small numerically to represent the full range of the regional parties on a proportional basis.

In the case of the Walloon Regional Executive, the Socialists, while the largest single party in the south, only scored about 37 per cent of the popular vote but under the rules won three places on the six-member executive and therefore an absolute blocking

naturally deing resisted by the other parties, who nevertheless will probably have to abide with the situation have to abide with the statutum bit like asking every one to until the proposed reform of the bit like asking every one to the Assemblies are, however, Senate in four years time. Stand up, then turning out the The Assemblies are, however, Senate in four years time. Stand up, then the lights go back asymmetrical, with the French-There will then be the legal and lights. When the lights go back asymmetrical, with the French-There will then be the legal and lights. When the lights go back asymmetrical, with the French-There will then be the legal and lights. When the lights go back asymmetrical, with the French-There will then be the legal and lights. When the lights go back asymmetrical, with the French-There will then be the legal and lights.



THE REGIONS COMPARED

N. C. State of the	Flanders	Walloni	Brussels
Population (%)	· 57.1	32.7	10.2
	56.2	27.4	16.4
Labour supply (%)	57.4	31.3	11.3
Employed (%)	52.2	28.2	19.6
Jobless as % of those insured:			
1970	2.7	5.0	1.8
			3.0
1975 1980	11.9	14.6	11.7
1300	Tira	12.0	11.6
Real growth (%):			
1966-74	+ 6.2	+ 46	+ 3.2
Real growth (%): 1966-74 1974-77	+ 1.9	+ 0.8	+ 0.8
Industrial output (ex-building) %:			
1002.74	+ 7.1	+ 5.3	+ 2.8
1974-80	+ 1.3		
	. 1	. 4.2(. 0.0
Investment in forming new companies			
(Fr bn):			
1976	3.8	4.6	0.2
1977	2.6	3.3	0.0
1070	5.6	4.2	2.4
. 1979	8.6.		1.0
1980‡	2.9	1.2	2.4
A CON-I-1 marriage Services often are	not orrails	ble here	nd 1977

 Officiel regional figures often are not available beyond 1977 but subsequent years are reckoned to be similar proportionately between the regions. † Virtually entirely due to the decline in steel industry. I Provisional Source: Kredietbank Research Unit.

coalition basis through negotiation by party leaders.

The reform of the Senate, as well as the status of Brussels as a region, still have to be decided before the system of regional government will be fully in place. It is envisaged that the Senate will become solely a regional institution, leaving the present House of Representatives as a unicameral national legislature.

Under the present bicameral constitution, however, the Senate will have to approve the Bill dissolving its own national role. "It will all be very difficult," says one Senator. "It's a

executives being formed on a chairs for everyone to sit down. Some will never get a chair.

Meanwhile the two main regional governments are in albeit with strictly limited powers. The two
Regional Assemblies comprise
the 106 directly-elected Senators and the 212 members of the House of Representatives meeting in groups according to their linguistic affiliation and choosing the regional Executives.

The result is that Flemishspeaking Flanders in the north and French-speaking Wallonia now have their own Parliaments (Community Council and/or Regional Council) and their own governments (Executives).

of lack of agreement between the Walloons themselves and their colleagues in pre-dominantly Frenchs-peaking

The French-speaking Com-munity Council joins both groups to cover such matters as cultural policy, health services and training, whereas the Regional Council for Wallonia alone is responsible for the regional economy, town planning, water supply, environment protection, etc. The single Flemish Council oversees all its developed powers.

To speak of the regions as "federal states," as many political commentators in Belgium are given to do, is exceedingly misleading, however. In contrast to other federal systems, all powers not specifically delegated to the regions are retained by the central government.

In addition to obvious areas such as foreign policy, defence and overall monetary policy, the central government retains control of such matters as education, general employment policy and most major economic options in key industrial sectors.

Indeed the amount of money being made available to the regions has been criticised by many regionalists as insultingly low. In an analysis of the regions' sources of finance Société Générale de Banque of the country's leading bankssays that direct appropriations toegther with the taxation likely to be repaid to the regions may represent only about 15 per cent of the national budget.

"This percentage seems very small," says the bank, "com-pared with the 40 to 45 per cent granted to the regions in the majority of federal states existing in the Western world at the present time."

Meanwhile opinion remains divided on what effect the reform will have on the political health of the nation. The general and measured feeling is that, given the complexity of the situation, a long "runningin" period will be necessary before any lasting judgments can be made.

One of the most disturbing prospects to many Belgian leaders is that, with the planned severing of links between central and regional government, the decisions of both could have equal legal force but not be compatible.

The reform programme calls for the establishment of a Court of Arbitration to settle disputes between central government and the regions over their respective powers. But, typically again of this divided nation, the composition and operation of this very necessary institution have yet to be agreed.

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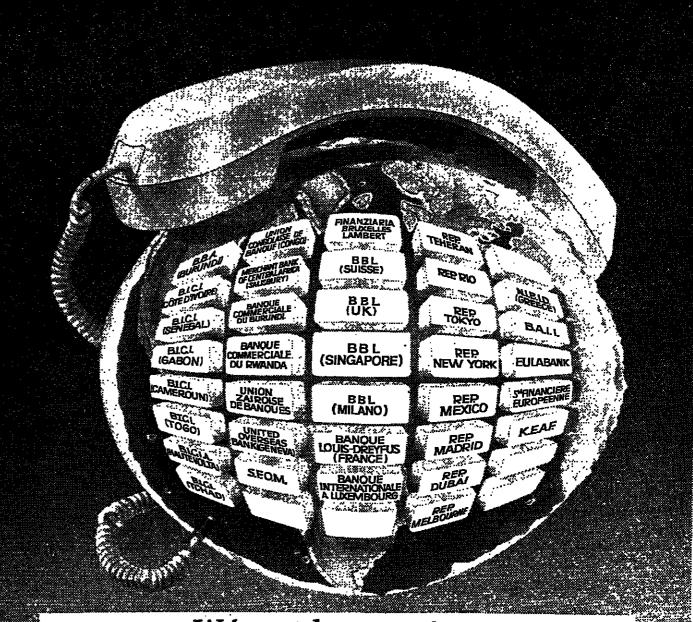
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Middle class and contradictory

reserved French, Belgians en vestiges of self-consciousness, can outdo even the British. Strangers are welcomed unquesto enter into the spirit of the gian dance ritual known as the their reserve on the wheel of being kissed by one and all, and most determinedly by muscular grandmothers. The only part of it all that a Breughel canvas fails to capture is the noise of over-amplified pop music and the beery odour of Stella Artois

Yet, quite undeservedly, Belgium suffers from a lacklustre national image. To the several thousand foreigners - other Europeans, Americans and Japa-nese drawn to Brussels by its status as "capital of Europe" — this country of 10m people often provides little more than a grey backcloth to their own working lives. Belgians them- way is the "language line,"

interesting country, for when fête tend to cast away the last it comes to self-denigration they

Far from being a flat, monotioningly, and should they fail chrome backcloth, though, Belgium is a patchwork of occasion then a peculiarly Bel- European culture. It may be hard to bring it all into focus Farandol is guaranteed to break from the perspective of a Brussels suburb or the backyard Belgian joviality. It involves barbecue area of a ranch-style home in the American ghetto of Waterloo, but if Belgium is boring so then is Europe.

Unique

The beaten path of the beauty spots are rivalled close by in Amsterdam, Paris and Heidelberg, however. What is more enduring is the country's unique position as the meeting point for east and west.

built by the workforces of the not firmly welded. linguistic community on which inguistic community on which the most visible manifestation of the unitary state—apart. The motorway does, however, from fleeding glimpses of a

beautiful Bruges and its calm much in evidence. At some canals, Ghent, Antwerp and points, a distance of no more medieval Liege, Belgium's than 10 kilometres separates than 10 kilometres separates market towns built in the two contrasting styles.

It is more than a cultural curiosity, however. The sharp division helps explain many of In many places the E5 motor- minable "language war" with its pettiness and damaging poli- Brother to High Technology.

A BELGIAN village party is a selves sometimes reinforce the separating Dutch-speaking Flantical squabbles is the grinding lively affair. Unlike the more prejudice that theirs is an unders and French-speaking Walfriction of a geographical divi-Ionia. Legend has it that it is sion. The heavy-handed bureauthe line the Romans arbitrarily cracy so irritating to temporary decided to hold when they fell residents is a Belgian device back before the Germanic literally to paper over the and pettiness being among the hordes: the Belgians joke that crack. Belgium is a man-made the principal criticisms made the dual carriageways were each state, forged in 1830 but still of Belgians gives some cine to

> mark the line between the two harassed King Baudouin during great architectural influences of periods of government crisis—is Europe. In Wallonia, most of the Gendarmerie Nationale. A which was for long a part of the paramilitary police force that Duchy of Burgundy, the spires combines the functions of a are of the distinctive helter. Highway Patrol and riot squad skelter style of central France. with powers that override In Flanders, the onion-shaped gentler municipal policemen, it guided tours is well known: cupolas of eastern Europe are sums up much that is quintessentially Belgian. By its jodphured motorcycle cops mounted on their Harley-Davidsons, it be-trays, Belgium's strongly American streak. And its antispeeding techniques of photocuriosity, however. The sharp graphing offending number division helps explain many of plates that are always registered to individuals' identity card numbers unhappily marries Big

make the country so difficult idea that Belgium is a nation of to characterise. Both grossness fat cats.

Bourgeois

In the eyes of its European neighbours, Belgium is super-bourgeois, a wealthy nation that bourgeois, a wealthy nation that has become predominantly middle-class. The highest industrial wage rates in the world are seen as having given the Belgian working class a supplemented by 87 Walloco the Belgian working class a consumer society's life-style in increasingly egalitarian country. Yet, to many Belgians, it remains a country that is deeply conservative in its social attitudes and is riven by

Above all it is the contradic Charleroi or Mons—with over tions and inconsistencies that 20 per cent unemployment in run through Belgian life that places—is enough to dispel the

> Belgium's nationhood is a conundrum even to the Belgians, Culturally, Belgians tend to look outwards; the Flemish across the frontier to Holland, and the Walloons to France. Yet neither community

supplemented by 87 Walloon dialects) is notorious. Despairing of some national symbol that could represent their complex kingdom with the dignity of, say. France's Coq Hardi or Mazianne, or class differences.

Its upper echelons are dominated by the aristocrats of the "High Life" social register (pronounced "eegh leaf"), whereas a trip through the blighted industrial towns of Coq Hardi or Marianne, or Germany's eagle, Belgians opt for jokes. There is currently a TV advertisement that sums it all up; it shows the Mannequin Pis clutching a corner of frites.

G. M.

An evening out in Brussels

BRUSSELS, though reputedly duller than Paris or Amsterdam, can offer a variety of pleasures for an evening out. ike any city it has its upmarket and downmarket areas, from chie "boites de nuit" to sleazy clubs with barebreasted waitresses. However, whether your taste runs to the Opera (John Pritchard of the BBC has recently become Musical Director) or the National Theatre (in French) which is consistently good or "chez Paul au Gaité"—where the Folie Bergère type girls and performing poodles are sub-dued enough to take one's grandmother — Brussels remains a city of restaurants. The choice is immense, from the Michelin starred, heavy on the wallet if not on the

stomach, the classical Belgian "taverne" serving mussels and chips in every imaginable way accompanied by one of the beers that Belgium specialises in, such as Krick (flavoured with bitter cherry), Geuze or the marvellously named La Mort Subite. The even more modest "café du coin" will rustle up a plat de jour with a glass of wine for about £3.

Traditional Belgian dishes are robust and the North Sea and vast game forests of the Ardennes provide the raw materials for dishes such as Saddle of Hare with Prunes. Waterzooi (a fish and seafood stew) or the traditional eels stewed with parsley and chervil. The pates, hams and saucissons from the Ardennes make splendid presents to



A grand place for eating: Brussels' main square, the Grand'Place, is at the centre of one of Europe's largest concentrations of restaurants, where a selection of menus offers good food at a variety of prices

take home. Start the evening with a drink

in the floodlit Grand'Place at one of the many cafes with open fires and comfortable chairs. Then, if it is not raining; take a walk in the surrounding area—the Rue des Bouchers and its adjacent streets-peering at the menus outside.

Chez Léon is cheerful and very Belgian; specialising in mussels and other sea food, the service for Belgium is speedy. The Taverne du Passage in the nearby Galerie de la Reine is a sober 19th-century establishment with a good selection of Belgian specialities and stays open late. Chez Vincent for grills and roasts has a friendly atmosphere.

Further downtown near the fish market at the Quai aux Briques are a selection of fish restaurants starting with the one-star Huitrière with its lobster specialities to the more modest Marie Joseph with seafood soup and their own smoked kippers.

The Avenue Louise business are: is as dead as a doornail in the evening unless you just want to eat. There is the Cremaillere with its classic French cuisine or Ricks Café American with good steaks and a club downstairs where you can be sure of meeting other Anglo-Saxons, should you so wish. Brussels boasts one of Europe's

best known cuisine nouvelle restaurants "Comme chez

booking should be made at least three weeks in advance but the vegetables are a delight in a town which is fixated on chips and salad. After your final coffee, there are clubs and discoss with

varying decibel rates and quiet cases almost anywhere Puppet Theatre has a tiny atmospheric bar filled with out-of-work actors in an old house down a medieval passageway. Taxis are plentiful and easy to

obtain and Brussels is small so it is easy to have an apéritif in one area, dinner in a second and a nightcap in a third. It is not a dangerous city at night compared with some but keep away from the areas around the two main railway stations if you have a three-piece suit and a well-stuffed wallet.

All in all Brussels is a civilised city and the Belgians have their priorities right: what better way to relax than to have a quiet leisurely even-

Juliet Bourgouin

The European Connection

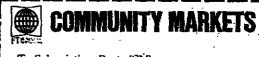
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FERRIES

in the telephone book.

Practically all major airlines fly

into Brussels and can be found

Dover/Calais/Ostende (with or without a car) British Rail/ Scalink Place Regier 23 (Tel: 217 9702). Hull/Felixstowe/Dover to Zeehrugge, Townsend Thoren-sen Rue des Colonies 18/24 (Tel: 513 2980).

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WHERE TO STAY LOUISE BUSINESS AREA Hilton Hotel, Ave du Toison d'Or (Tel: 513 8877) Ramada Hotel, Ch. de Charleroi

38 (Tel: 538 9100).

Hotel Arcade Stéphanie, Avenue Louise 91 (Tel: 538 8060). COMMON MARKET AREA Europa Hotel, rue de la Loi 107 (Tel: 230 1333). Hotel Charlemagne, Bd Charlemagne (Tel: 735 9050). Park Hotel, Ave de l'Yser 21

(Tel: 734 4991). CENTRAL AND DOWNTOWN BRUSSELS Amigo Hotel, rue de l'Amigo tel 511 5910). Sheraton, Hotel, Place Rogier (tel. 219 3400).

Hyatt Regency, rue Royale 250

(tel: 219 4640). President Nord Hotel, Bd Adolph Max 107 (tel: 219 0060).

NEAR AIRPORT Holiday Inn, Diegem Sofitel, Diegem (tel: 720 6050)

INVESTMENT AND

TAXATION FLANDERS — Office of the Secretary of State for Regional Affairs in Flanders, Square de

Meeus, Brussels (tel: 511 4350). WALLONIA — Secretary of State for Regional Affairs in Wallonia, Avenue des Arts 19h, Brussels (tel: 219 4620). BRUSSELS — Ministry of Economic Affairs, Square de Meeus (tel: 511 1930). The above three publish (in English) a guide to setting up husiness in Belgium. In these booklets are: 1 Financial Facilities; 2 Tax Relief; 3 Fiscal Regulations for Companies; 4 Tax liabilities for foreign directors and managers; 5 Aid in staff training. There is also a guide to fully equipped industrial estates, administrative procedures and exchange regulations and the repatriation of dividends and capital, as well as information on ssistance to export.

BANKS

Banque Bruxelles Lambert, Rue de la Regence 2 (tel: 511 6450). Kredietbank, Rue d'Arenberg 7 (tel: 513 8050). Société Générale de Banque, Montague du Pare 3 (tel: 511 3870).

The above three have branches all over Brussels, Barclays Bank, Avenue des Arts 27 (tel: 230 3980), but no cash. Lloyds Bank, Avenue de Tervuren 2, (tel: 736 0100). American Express, Place Rogier (tel: 219 0190).

The main British, American, Japanese, French and Italian banks have branches in Brussels and are mostly located in the Ave des Arts.

Canadian Embassy, rue de Loxum 6 (tel: 513 7940). Federal Republic of Germany, Ave de Tervueren 190 (tel: 770 5830). French Embassy, Rue Ducale 55 (tel: 512 1718) Irish Embassy, Rue de Luxembourg 19 (tel: 513 6633). All Embassies and Representations to the EEC are listed in the telephone book under "Ambassades" and Representations."

> CHAMBERS OF. COMMERCE

American Chamber of Commerce, 50 ave des Arts (tel: 512 1262). Publication: "Overseas Business Report — Marketing in Belgium and British Chamber of Commerce. rue Joseph II 28 (tel. 210 0788). Information sheets: "Opening a Business in Belgium " and Conditions of Employment of Managerial Staff in Belgium (from the British Embassy,

FT COST OF LIVING INDEX As published Monday, July 27 1981, Brussels is No. 25.

Commercial Section).

WHAT TO EAT

a chervil and parsely sauce) or a "Carbonnade Flamande (beef stowed in beer). At the Quai aux Briques,

EMBASSIES British Embassy, rue Joseph II 28 (tel: 219 9000). U.S. Embassy, Ed du Regent 28 (tel: 513 3830).

Brussels has restaurants to suit every pocket. Starting at the top there are two three-star Michelin restaurants. More modestly, however, the Rue des Bouchers, near the Grand' Place and its adjoining streets are full of restaurants of every imaginable nationality as well as the typically Belgian
"Taverne" with a choice
ranging from "Moules/Frites'
prepared in 20 different ways, Auguilles an vert (eels with

next to the Fishmarket, there are many places and the variety is wide—from a costly lobster "à la nage" to a simple "friture de fruits de mer." Unless you patronise a self-service or a hamburger joint, do expect to take your time. Where food is concerned, the pace in Belgium is leisurely, so sit back and enjoy it.



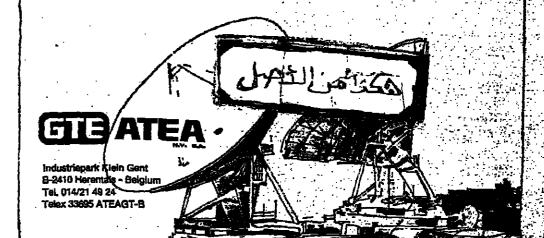
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THE ARTS

Architecture

Backwards and forwards

by COLIN AMERY

year. In many ways they have suffered from the recession and the changes in policy that have caused the decime of the architect's role in the public sector, but all suits of things have hap pened that could make life for architects easier in the future. In January task year the Code of Conditor was absureded so that they can half better and hold they can build houses and hold directorships in the construction industry - in short the architect is free to become a hustler as well as a professional man. Some people would argue that professionalism has been changing for years and that these decisions just face the facts of economic life

year. On the freedom front the He became prominent after the Minister for the Environment Second World War when he has put his politics into practice and urged planners not to interand urged planners not to make and St Mary le Bow and ne was architectural aesthetics. He has devoted no the repair and architectural aesthetics. He has devoted no the repair and architectural aesthetics are not devoted no the repair and architectural aesthetics. He has devoted no the had a curious ing as the beacon to light the way the splendld Government. owned site next to the National Gallery in Trafalgar Square than they are now. for an architect/developer

competition.
The Green Giant on the Thames at Vauxhall quietly died and snother competition was announced. The importance of the official change in attitudes to architecture has hit the profession by surprise. There is still a stunned disbelief amongst architects but it is a fact that good architecture is now official policy—quality will be encouraged and provoked by competi-

iththe

unts.

tion. This is good news. It was a sad year for architecture in some ways with the grad-like horrors of his master deaths of so many of the old plan for that much advertised guard of the Modern Movement - city. He was an infinential com-The Movement, of course, died mittee man, handsome and effecas a strong force a long time tive but his architecture lacked ago but its innovators continued real originality—although his to work. Jack Coia, who had hospital planning justly earned designed so many good him his honours. interest in arcicle churches in Scotland, particularly St. Bride's Church in East Johnson-Marshall died. He had is intense—ther Kilbride, died. His career with achieved most of his influence to write about.

Janus-like, the only way to his practice Gillespie, Kidd and consider things at this time of Coia produced a suring of good the year is to look both ways.

Architects like to go around the more wayward aspects of death the Government abolished the more wayward aspects of the more w

highly distinguished—a version of his long their is still in production in England and his was one of the earliest tubular steel chairs. Like so many others from the Banhaus he reveal the political climate of this country from 1940 to 1980.

Although it often reads like an obituary for socially progressive architectural ideas it does reveal the political and economics. ended up in the US and his lovely Abbey of St John at Congeville in Minnesota showed that he was one of the least doctrinaire of the followers of the Malery Moreovers

the Modern Movement. With this new found freedom. Laurence King are probably there is less excuse for misery well known to anyone who and groaning at this time of the works in the City of London. works in the City of London. was called upon to rebuild the taste when it came to church fittings that may in their time be regarded more favourably

> I doubt that his name will live as long as some church architects and it is a constant sadness to see the terrible screen he designed for All Saints, the Butterfield church in London's Margaret Street, which is so out of sympathy with the building and the later work by Comper.

> Lord Lieweiyn-Davies's ele-gant figure is a loss to the town Keynes will remember in their prayers to thank him for the

saying that they have had a bad the practice's work became the post of a chief architect in the Department of Education The death of Marcel Breuer and Science. While looking ended the living links with the backwards one book should be Bauhaus. He was born in singled out Lionel Esher's A singled out, Lionel Esher's A Hungary in 1902 and is best Broken Wave (Allen Lane, Lonremembered for his facility don, £12.95), which is a serious with materials, perticularly and often depressing account of tember. His furniture is still the building, architecture and social and political climate of

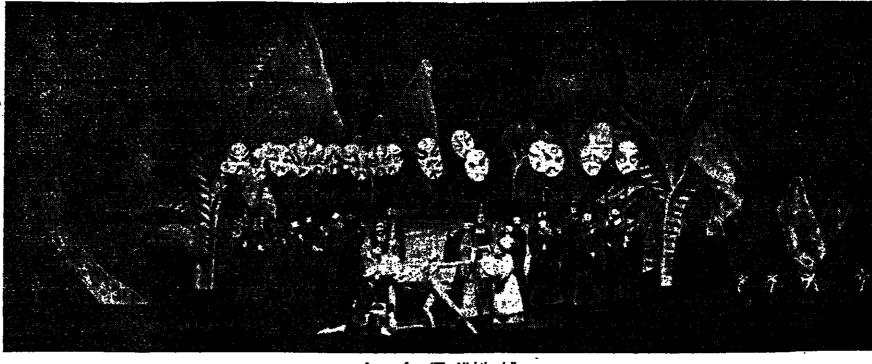
reveal the political and econo mic naivety of architects of that period. The belief that money and the support of the State would always be available was soon dashed as the oil prices rose and social planning declined in public favour. Esher avoids the real issue and is unable to explain why the public learned to hate modern architecture in England with a passion that is unknown in other countries. He was well-placed, particularly as Rector of the Royal College of Art, to understand the nature of this English disease. His objectivity protects him from controversy—I felt his book dodged the intellectual

issues and was a disappointment.

If architects are looking reasonably healthy now that their shackles have been loosed, what about the art of architec-

While Schinkel and Lutyens were the favourite dead architects of the year it is significant that classicism and a more orderly post-modernism is also the growing concern of practising architects. The names for 1982 and the buildings are largely American but one leader planning world although I doubt of new thinking is undoubtedly whether the residents of Milton James Stirling British and one of the most interesting architects in the world.

Michael Graves and Richard Mejer are the serious exponents of the new style of architecture in America and this will be the year to see exactly what "post modernism" will produce. There is a lot to look forward to, the interest in architecture at all levels, past, present and future, is intense—there will be a lot



A scene from "The Nightingale"

Metropolitan, New York

Stravinsky triple bill by andrew porter

The Met's centenary tribute cyclorama studded with graffiti commanding, but Cassilly's sus-powerful, deliberated "state-have tried to fight the house, to to Stravinsky is a triple bill — of faces — eyes, nose, and tained notes became unsteady, ments set against it. It was not bridge the 'mystic gulf' that Spring Rite. The Nightingale mouth indicated in an oyal, Franz Mazura's Creon and at all an "entertainment," as Wagner created and put per-Spring Rite, The Nightingale and Oedipus Ren-designed by Rite, there is a large roundel David Hockney, produced by at the back depicting two tri-John Dexter, and conducted by James Levine. It's largely a trunks, lit in various intense, dance evening — Rite is choreographed by Jean-Pierre Bonne-fous, and The Nightingale by Frederick Ashton — but the stars of the show are Levine and his orchestra. The pit has been brought up high and the wall that usually divides it from the stalls is replaced by a clear plastic screen; it's now less a "pit" than a shallow depression. The soprano and tenor of The Nightingale, standing up in it, are clearly visible; so it Anthony Dowell, enthroned in it as the Narrator of Oedipus. Sightlines and staging are cleverly planned so that the stage pictures remain masked, but Stravinsky and his scores occupy the foreground. All three scores are very well played, and balance problems

All three pieces are staged within a semicircle of black

encouraged the brass"

when Levine

arose only

chalked up as if by a child. For angular peaks and some tree glowing colours; for the second scene, a tangle of brightly coloured foliage descends to cap the trunks. Hockney's costumes pay tribute to Roehrich's for the original production — with some pop touches added to the men's. Bonnefous's choreography pays tribute to surviving imagery of one carried away is of the huge Nijinsky's original and is other-stage hung with black, as for wise fluent, eclectic, and con-

For The Nightingale, the stage acquires a Bayreuth saucer painted with blue ripple In the shore scenes, a pretty white-and-blue giant banner descends as a central backdrop, rippling too. Here and in Rite the "face" motif is continued by faces atop poles carried by the chorus. Bird and Fisherman, sung from the pit by Gwendolyn Bradley (a sweet, light soprano, very charming) and Philip Creech, are danced onstage by Makarova and Dowell, in a graceful anthology of Ashton inventions. The small roles are both played and sung by on-stage singers in a deft chinoiserie - cum - commedia dell'arte manner. The piece is sung in Russian, and so much of its point is lost. The City Opera production, in 1963, used Robert Craft's English transla-

some 60-strong, dressed in dinner jackets, seated in a double row, spans the front of the stage. On a bigh result leaves us in the stage. the stage. On a high platform behind them, the principals, similarly costumed (Jocasta in a long black dress with ropes of pearls), sit on modern chairs. Behind each stands a waiter holding a tall white mask. These attendants put the masks on the soloists, before they rise and move centre stage to sing. Here a high, goldstriped screen rises above a red semicircle — echoing the cords and circle of the formalised lyre depicted on the black front curtain which is used before and after each panel of the triptych and also during scene changes.

Oedipus and Tiresias were Richard Cassilly and John Macurdy — the Oedipus and Messenger of the City Opera production of 22 years ago, conducted by Stokowski, and

were less precise, though Troyanos had powerful moments. Dowell, in ringing voice, convincingly assumed the tones and classy accent of a British theatrical knight except when he slipped over the word "deities" and a dramatically gripping. But in its classical name or two ("Crayon," "Lie-oose").

It was a serious, carefully planned, long, strenuous, sombre evening. The impression

wistle's Punch and Judy with a

version of The Beggar's Opera

which will not be forgotten. It is

a milestone of some sort to

have brought John Gay's song-

sequence and witty word-play into the theatrical era of Oh,

Calcutta. An episode of simu-

lated sex, with two women

gossiping cheerily to each

other on their knees as the men

bestride them, followed by a

result leaves us in the realm of

shock, disturbance, nervous

music in almost a straight 18th-

century vocal and instrumental

welded into one.

Troyanos's Jocasta was (by all accounts; I've not formers and audience into the seen it) the same team's Satie- same room, as once they were, Poulenc-Ravel triple bill last and in some modern theatres season. It was even, perhaps, a are once again. Their Luiu was little untheatrical: Ive never played well forward, and their encountered a Nightingale less Entführung and Mahagonny on touching or an Oedipus (even

The Met, the largest opera strenuous, house in the world and an ugly one, was built to house big one carried away is of the huge stage-pictures behind a proscenium frame. In several propompes funebres, and three ductions, Levine and Dexter

into a parody of a cinematic

gangster murder (with water

pistols and slow motion). Here

David Freeman—who plays

Macheath as well as directing

the production-leads his com-

A brilliant company it is, its

members encompassing a multi-

plicity of roles with sharp differ-

entiation. Most of the per-

formers, moreover, were those

who had shone in Punch and

offers to opera, and maybe to

other kinds of theatre. Save for

a tendency to rush the dialogue (the director's fault?) the

Lucy), Roger Bryson, Hilary

Western, Nigel Robson.

pany splendidly.

The Beggar's Opera

by ARTHUR JACOBS

The Opera Factory has kind of rock dance for the

followed its production of Birt- whole company and then turns

dance which reaches almost Judy. Omar Ebrahim (Punch

Although played in modern others must also garner unre-

dress throughout, the produc-tion starts by delivering the son and Marit Angel (Polly and

style. But when Macheath has Ultimately their feats failed forsaken his newly wedded because the production itself Polly for the more familiar remains a mere box of tricks.

pleasures of the brothel, rock (One even wonders whether a

music takes over. A rather better solution would have been

weak, minor-key arrangement a Beggar's Rocky Horropera.)

organ, electric guitar, and was heartening. Mr Freeman

stages that jutted out through the frame and overhung the pit. The Stravinsky evening is their boldest effort so far to bring some modern staging ideas into a traditional bouse, before their

traditionally-minded audience. The next right, a "gala" evening celebrated Carlo Bergonzi's Met jubilee. (He made his Met debut, as Radames, in 1956, three years after his London debut at the Stoll.) He sang in Act 2 of La traviata (with Catherine Malfitano as Violetta) and in Act 3 of Tosca (with Galina Savova as Tosca). Between, there was Act 2 of Ballo, with Luciano Pavarotti and Teresa Zylis-Gara, and the tenor's Act 3 aria tacked to it as pendant Bergonzi's "acting" is pretty well confined to raising his left arm on high, but he may be the

to be liquid, melting. It was all a little overdone — the melting phrases, the spur high notes, long-caressed. But rather too much than none at all. There was no caress, no tenderness in Pavarotti's tones for the Ballo love duet or aria: he left the syllables of "M'ami" and even those of Amelia's name unjoined. Levine was a loud, domineering, insensitive accompanist. Next season, Bergonzi is due to return in Ballo and Forza.

last tenor left who knows how

Glyndebourne awards

The final two awards made annually by Glyndebourne to young artists have been announced. The Esso/Glyndebourne Award for 1981 has been given to Glenn Winslade, a 26year-old Australian tenor who will join the Glyndebourne of "Youth's a season made for But as a demonstration of chorus in 1982 and sing Don joys" is belted out with electric potentialities of performance it Ottavio in the Glyndebourne chorus in 1982 and sing Don Touring Opera's performances

drums. Microphones boost the must be encouraged to try his of Don Gioranni next autumn. singing and shricking voices. strength again, and the occa- The Glyndebourne Touring Later the original style is resion should not slip by without Opera Singers' Award has been sumed—but in the second act an appreciation of Paul Daniel's given to Catherine Benson. production of 22 years ago, another shift occurs when work (with the Endymion member of the Chorus and conducted by Stokowski, and both of them strong, incisive, from jail is shown first as a and musical director.

Giovanni on tour.

Nuova Compagnia di Canto Popolare

by ROSALIND CARNE

music of five centuries. The 'Ffigliole," advising girls to Riverside, with its fixed seats enjoy youth's pleasures while and bare wide stage, is a wholly unsuitable venue for a company whose first melodic utterance evokes the vine-clad terraces of the Mediterranean. No matterwe are privileged to welcome The group of six instru- swelling dynamic. Some songs

of joy and warmth mentalists and singers was formed in 1967 by Roberto di-Simone in order to rescue the folk tradition of the Campania. Painstaking aural and historical research has unearthed and preserved a glorious reperioire brilliant instrumentals with lute, sion is which hints both at eastern, guitar, flute, recorder and per-explanatory.

They perform regularly in a gentle love lyric like the shock of black hair, and faintly cascade of rhythmic syncopafairs throughout Southern Italy. Fai," the lament of a young man startling vocal range. Fausta Sfogli joins him with sweet-singing and playing the popular who has been rejected, or "Li Vetere, the only woman, comtoned virtuosity on a Spanish enjoy youth's pleasures while voice with proud and gay remaining member of this they can. The "tammuriata" insouciance among these males. talented sextet is Patrizio is more violent, a traditional Her castanet dance with Trampetti, binding all together form marked by the complex Giovanni suggests a whirl of with guitar and voice and a mythms of a big hand drum. playful antagonism. Nunzio smattering of wholly unnecessity. The player thrusts the stick Areni is less physically sary, but beguiling, English inside the drum itself, twirling flamboyant except for his flying them to London as messengers it around as he links his body's fingerwork over a collection of movements to the pounding, flutes and recorders.

are ballads, like the tale of the "guarravino" fish and his love for the beautiful sardine, or the story of the bakers' strike of 1570. Dotted throughout the the dialect, but the lilt and widely varied programme are

16th century country song, often with bis bouncing "machismo,"

bines an exquisite purity of (or perhaps Italian) guitar. The

Words mesh with words in fine close harmony and with, at times, delirious excitement. Even native-born Italians find it hard to pick up the meaning of passion of the musical expresis deliciously self-

tiny drums produces a bravura

interpretation.

'Skirmishes' at Hampstead

The new play at the Hamp-stead Theatre, opening February 1. is Skirmishes by Catherine Hayes, directed by Tim Fywell and designed by Sue Plummer. which hints both at eastern, gultar, flute, recorder and perwip roots and at an uncussion.

Arab roots and at an uncussion.

Arab roots and at an uncussion.

To ignorant English ears and own madrigals and the eyes, the most recognisably on a popular 17th century the Liverpool Playhouse) and the Elizabethan lute.

There is the "villanelia," a treaty is Glovanni Mauriello Faraldo's tapping fingers on two the cast comprises Frances de la Tour, Gwen Taylor and Anna they country song often with his homeing "machismo" tiny drams are duces a heaving. Wing.

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14 Poet associated with Keynes 15 Tire or some other car part (7)

over Russia (7) 20 Discretion shown by one third-class stratagem (6)

24 Join old lag going to prison 17 A bed cord may be patbefore tea-break (9) other side of the world

(4, 5)26 Hearing affliction (5) CONTINUED ON PAGE 24

(5)

27 No declarant of thread

instant

standard (6) 28 Wine taken round in instrument (8) DOWN

1 Strike by degrees at August festival (6) 2 Made to think of inserted

object (3, 2, 4) 3 Find book way to assist audibility (4, 2, 3, 6) 4 Conservative is taking bird

to tank (7)

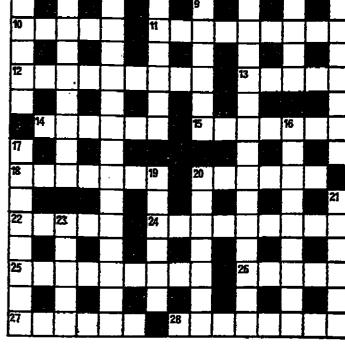
ment firm (8)

6 Surreptitiously being controlled by computer (5, 3, 7) 7 Brush off southern cry (5) 18 Attractive girl running rule 8 Sore about musical instru-

9 Another 10 heard of tropical tree (6) 22 Load vehicle then push off 16 One song by northern member of religious body (9)

regular routine (7)

terned in fabric (8) 25 Neath as seen from the 19 Period rotten for auditor 21 Skin surrounding the French



small hall (6) 20 Shoot 10 not finishing 23 Quarrel over article in tree (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

FINANCIAL TIMES

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EEC steel plan in jeopardy

mum prices for imported steel, will be suspended.

The American companies are probably well pleased with this outcome. Even though the industry's fundamental problem is low productivity rather than import competition, there is little doubt that some European steel is being dumped in the U.S. Anti-dumping suits, whether or not they are ultimately successful, will have an immediate effect in curbing shipments from Europe. The domestic producers should benefit, in the short term at least, both in profit margins and in sales volumes.

For European producers the consequences could be grave. Brussels Commission, working with governments and companies, is engaged in a delicate operation to raise the profitability of the steel industry and to bring capacity into line with demand. One element is a co-ordinated increase in prices—a highly artificial process at a time of sluggish demand and serious over-capacity. If steel destined for the U.S. now has to be sold within Europe, the ability of maintain the agreed pricing disciplines and production controls will be put

under great strain.

THE ATTEMPT to find a welcomed by some steel users. negotiated solution to the If one could be sure that problem of European steel governments would allow exports to the U.S. appears to market forces to work, unrehave failed. American steel stricted competition would be makers are expected this week the quickest way of restructurto launch a series of suits ing the steel industry. But the against European and other most that governments have producers which are accused of brought themselves to accept is competing unfairly in the U.S. to phase out state support for market. The U.S. administrathe steel producers by the end tion's trigger price system, of 1985. If a co-ordinated which is supposed to fix mini- European approach is replaced by a free-for-all, the most likely result is an outbreak of national protectionism which could cause incalculable damage to the fabric of the Common

> There are other threats to the Davignon plan. Several producers, including Kloeckner of West Germany, are dissatisfied with the production quotas assigned to them and have filed suit against the Commission in the European court. These internal strains will be aggravated by last week's developments in the U.S.

Friction

In the principle the EEC cannot object to an±i-dumping action as long as the U.S. follows the rules for such action laid down by GATT. (There appears to be some doubt on this score. particularly over the definition of "material injury.") But the practical consequence may well be an escalation of subsidies to protect EEC steel makers from the effects of the U.S. move, postponing still further the restoration of a normal market in steel. At a time of international tension, when there are already too many sources of friction between the U.S. and the EEC, a trade war is the last thing the western alliance needs. A combination of greater self-discipline in Europe and renewed A breakdown of the Davignon negotiations with the U.S. may plan and a return to the survival be the only means of prevent of the fittest might be ing it.

LANDMARK U.S. RULING

Ma Bell's \$90bn sale

empire founded more than AT and T, the world's largest private company, agreed late last week to sell off two-thirds of its \$134bn assets in an historic U.S. anti-trust agreefather of the telephone, is about to be dismembered. A leaner, ment with the Justice Department. Paul Betts reports from New York on the implications and (below) looks at the simultaneous ending of the anti-trust suit against IBM, the last of a series of major cases to be settled by the Reagan Administration.



for two-thirds of the company's long-distance telephone services. \$134bn-worth of total assets and about half of its annual revenues of \$5.7bn, but only one-third of its \$6.90n annual

THE MIGHTY telephone

a century ago in the U.S.

Alexander Graham Bell, the

more aggressive, high tech-

nology company is now poised

to emerge from the former Bell

empire which is bound to exert

a major influence on the fast-changing world telecommuni-

In what will go down in the

history books as one of the

most far-reaching developments

in American business, American

Telephone and Telegraph (AT

and T) affectionately known as "Ma Bell," and the U.S. Jus-

tice Department last Friday

finally settled a landmark anti-

trust dispute which has been

fought out in the courts for the

The settlement is olready

being compared to the 1911 deal

which forced the Rockefeller family to split up the giant

Standard Oil Company into 33

Friday's decision marks the end of an era. It is, in the

words of Mr Howard Anderson,

a telecommunications industry

Mother Bell as we knew her."

Unlike almost every other

major country in the world

where the telephones are owned

and run by the Government, Ma

Bell, the world's largest private

company, has provided "pots,"

or "plain old telephone ser-vice," to four-fifths of the

American population. For more

than a century it has been the dominant supplier of telephone

equipment and services to the

country. Bell Labs is the

search centre in the world.

Western Eelectric, its manufac-

Ma Bell will now no longer

maker in the world.

premier telecommunications re-

"the death of

cations market.

past eight years.

subsidiaries.

consultant.

The agreement still faces one last, major hurdle. It must be approved by the U.S. Congress and already there were signs this weekend that it would not be rubber stamped. Several Congressmen have attacked it on the grounds that it could threaten the quality of the asic U.S. telephone system

The settlement also opens a new chapeter in American telecommunications in which a relatively smaller but stronger AT and T will be competing against the likes of IBM and Xerox for leadership in the electronic transmission of information. IBM, for example, is already involved in advanced communications through its interest in Satellite Business Systems. And AT and T last year announced plans to enter this market by setting up a separate subsidiary with assets of \$10bn.

At first sight the AT and T settlement may seem more satisfactory for ment than for the telephone company. It meets the new turing subsidiary, is far the biggest telephone equipment criterion of the Reagan administration anti-trust busters whereby vertical business concentrations are acceptable but horizontal ones are not.

provide plain old local telephone services to Americans The new AT and T will have but this may be good news for vertical line of integration the company and its share-starting at the top with Bell holders. AT and T has 18 Labs, the research subsidiary, starting at the top with Bell months to divest itself of its moving down to Western Elecshare in 23 local operating tele- tric, the manufacturing subphone companies which account sidiary, and finally down to

the marketing and services arm. Its 22 local telephone companies will be spun off to existing AT and T shareholders (of which there are a staggering 3m).

Ma Bell would have much pre-ferred not to have to strip down. But it regards the settlement as a viable compromise. I believe we have chosen the right course, although clearly it was not the solution that we sought," Mr Charles Brown, the telephone company's quiet and retiring chairman, said last AT and T will now have

to directly face the already increasing challenge of competitors like GTE, the country's anticipate an evolution in largest independent telephone

company, ITT, MCI and a host that would in time erase the of other concerns in its once distinction between computers but already much less secure telephone service and equipment market.

ment actually gives AT and T most of the freedom to operate in new and fast expanding markets which it has been seeking for years. Under an earlier consent decree, AT and T agreed in 1956 to say out of the un-regulated computer and information processing market in return for retaining its regulated monopoly in the telephone business.

"The earlier decree did not modern electronic technology

and communications. Yet its provisions have effectively pro-hibited the Bell system from applying the fruits of their own On the other hand the settleresearch and development to T chairman said after the

By settling its dispute with the Justice Department, Ma Bell is a giant step closer to entering the fast-growing new electronic communication mar- Local rates will have to double The Federal Communications Commission which regulates inter-state telecommunications with its so-called "Computer 2" ruling had earlier prepared the way for Ma Bell's entry "into unregulated fields by agreeing to let the telephone company enter the information processing market through a separate but wholly owned subsidiary. Both the

considering bills to enable AT and T to join the IBMs and the Xeroxes in the new telecommunications markets. AT and T saw its chances of beating the justice department fade and thus preferred to settle rather than risk a court order forcing it to break up the company even more drastically. including perhaps the divesti-ture of Bell Labs or Western

House of Representatives and

the U.S. Senate are already

Under the circumstances, AT

concern. "The old lady is becoming a go-go girl," one re-marked. The local telephone companies, the company's bread and butter for a century, are highly capital intensive and modest money makers. Indeed Bell's long distance services, which it will retain have been subsidising local services for years. The company will now be able to concentrate its resources in the new high technology growth areas where it is likely to become a formidable competitor on a world scale after its management which has sheltered behind government regulation learns how to run a smaller and drastically different type of concern. But the landmark settlement

has not won universal acciain their own purposes. The new For many consumers it will decree would entirely eliminate spell higher telephone rates such restrictions," the AT and once the divestiture is completed in the next 18 months. Mr Delbert Staley, president of New York Telephone, one of the Bell subsidiaries, has already warned: "After divesti-ture we will receive no subsidy. in the next five years to bear their share of the cost." The question is will the local state fare-fixing commissions grant these increases? And if they refuse, will telephone services. which thanks to the Bell system are among the most efficient in the world, deteriorate?

The Federal Communication Commission is worried. Its chairman, Mr Mark Fowler, said on Friday: "The impact upon local and long-distance and indeed the ancillary services . . . will require considerable study." Many members of Congress are also concerned Apart from the mechanics of dismembering a lady as vast as Mother Bell, the settlement is bound to become one of the hottest political footballs in American in coming months.

The changes that AT and T must now make are also a major test of the company's ability to adjust in a very different, and T has done very well. Wall and highly competitive, market Street analysts are quick to place. Equally, IBM and the point out that the telephone other information processing company will now be trans- giants, will now have to learn formed from essentially a to live with what may well be utility into a high technology a formidable rival.

The squeeze on local councils

THERE IS a depressing in-tion which councils themselves evitability about the way described as "pathetic" when evitability about the way councils always spend more than the Government would like on their current accounts, mainly eaten up by wages, and much less than the Government would like on capital projectshouses, schools and toads,

During the past two years a new system of trying to coax current spending down has failed to achieve the Govern-ment's targets. The targets themselves have been unrealistic and the new control system for current spending appears technically unsound. In the same period, on the other hand, the Government has introduced a new system of sensible capital expenditure controls, allowing councils to knock-on effects long after they switch their permitted borrowing between spending cate-

Problems

By a kind of Gresham's Law of spending control, a bad system can drive a good one these days and it has to be paid out of currency. Spending for by ratepayers through the authorities have been driven to current account. The harder depress their capital spending the Government pushes and through fear of exceeding their punishes councils for their curcurrent spending targets. The figures indicate yet another large capital underspend for ring new debt. the year ending in March. They because the size of the underspend—23 per cent—on already columns between capital and low allocations comes at a time current accounts and finding a when the construction industry is struggling through its worst ing implications of capital recession since the war, with spending into capital allocaoutput expected to be down tions and the capital account another 12 per cent this year and taking it out of the current after an 11 per cent fall last account. At the moment the

Prohibitive

lessons for ministers out of this persistent under-investment in the bricks and mortar side of our future. One is that the short-term political gain from initiatives such as council imposed from October 1980 to productive, disruptive and cause end.

capital is not free and its costs under present conditions are prohibitive. Debt servicing represents between a fifth and sixth of the total project cost rent expenditure the more cautious they become of incur-

There may, then, be a legitithe more dismaying mate case to be made for moving sоще way of building the debt servic-

it was announced, is building up some major problems of potholed roads and unbuilt and unmeintained homes which are going to need expensive and difficult solutions before this decade is much older.

housing moratoriums April 1981) are counter

The second lesson is that

Government appears to be will-This underspending, and paring the end—investment for the ticularly the unused £455m future—but cutting off the from a £1.4bn housing allocameans.

Private empires

THE DISPLAY of collective method by which those reanger by the investing institutions in the case of Associated Communications is very much mate interest to the owners of to be welcomed. Whether or a business; there are far too not they succeed in blocking or many companies in which exreducing the proposed compen- ecutives are determining their sation payment to Mr Jack Gill, own remuneration and fringe they have issued a clear warning to those who seek to run trol by shareholders or nonpublic companies as private fiefdoms. While their preferred method of influencing events is by discussions behind the scenes and through non-executive directors, the institutions strengthen the management of have shown that, where the circumstances justify it and no other option is available, they the face of corporate decline is are prepared to take more dras- one of the weaknesses of the

tic action. In going to law over Mr Gill's are always good reasons for not proposed payment, the institudisturbing the status quo; the tions are, in effect, making a issues are rarely as clear-cut as protest about the way the comin a "golden handshake" row.
pany is being managed. They But if the owners of a business are also taking a stand on a do not intervene to stop the rot, clear issue of principle, con- no one else will; they have recerning the rewards paid to ex-ecutive directors and the exercised.

wards are fixed. These are matters of legiti-

benefits without effective conexecutive directors. But the institutions' role in the Gill affair would be even more welcome if it encouraged them to use their influence in a wider sense to badly run companies.

The passivity of owners in British financial system. There

There appear to be several

dropped its case against IBM the AT and T anti-trust suit. The IBM case, which asserted that the giant computer company was unfairly dominating the computer market, is the last of a series of cases (including one to break up the country's eight largest oil companies and one seeking to up Eastman Kodak) which have been dropped since Mr Baxter, a Californian law professor, was appointed by President Reagan to head the anti-trust division of the Justice Depart-

WILLIAM BAXTER claimed on Friday night it The IBM suit was far less complex than the telephone case. It was based, as were was "sheer serendipity" that the Justice Departmentwhere he is the leading antithe oil company and Eastman trust buster-should have Rodak suits, on the premise that big is bad for competiwin its case, had already won 16 private cases filed by competing companies after the Justice Department filed its suit on the last business day of the Johnson Administration on January 17, 1969, and had defended itself vigor-

ously from the very start. Mr Baxter, after a six-month review of the IBM case, said "the only sensible thing to do" was to dismiss the case which was "without merit" and based "on filmsy evidence." But he went fur-

ther-spelling out in his most significant policy statement to date, the anti-trust philosophy of the Reagan admin-

Mr Charles Brown,

Why bigness is no longer a 'crime

For Mr Baxter, and Presideut Reagan for that matter, own a reasonable basis for anti-trust prosecution. Concentration in large units can improve business efficiency and enhance competition, the administration believes. The purpose of the anti-trust laws is to guarantee and protect the free market place, according to the Reagan creed, and to restrict government intervention and regulations to a minimum.

In any event, business conditions have changed since the days of indiscriminate

trust-busting. Companies like IBM and even the oil majors are no longer perceived as stifling competition because of their dominant positions in their respective markets. Indeed, IBM has been losing the last ten years to new com*panies*

Mr Frank Cary,

When the Justice Department first filed its suit 13 years ago, IBM controlled about 70 per cent of the world market for main-frame computers. Its share has since slipped to about 62 per cent. And in the U.S. market, IBM's share has dropped to 58 per cent.

But the new approach by the Justice Department does not herald a new era of soft anti trust enforcement. The

anti trust authorities have shown every intention of 'litigating to the eyebalis," to use a favourite Baxter phrase, cases which infringe their interpretation of the law. This interpretation may months but is nonetheless

The last few months have provided ample examples of bow strictly the new breed of anti trust enforcers intend to apply the law. Mobil has failed on two occasions to accuire another major oil company because of anti-trust objections. On Friday, as the two historic settlements were announced, the Federal Trade Commission (FTC), which together with the justice department watches over anti trust. again acted to foil yet another indirect attempt by Mobil to acquire the oil and gas assets of Marathon oil. The new anti-trust policy

can be encausulated in two words that have become a ie part American economic dictionary 'horizontal 'and 'vertical.' A large company which is vertically integrated but has no dominant share of any given market raises no problems for Mr Baxter, but one which is horizontal, or dominates a single market to an extent it severly threatens competition, does. So far, with the AT and T and IBM settlements, Mr Baxter appears to have been highly consistent in applying his new approach to anti-trust.

Men & Matters

Morton's move

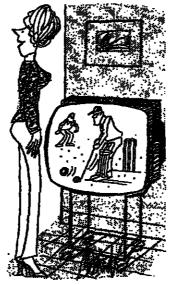
"Glacial eyes," came the reply when I sought first impressions of Alastair Morton, today's new chief executive at Guinness Peat. Glacial eyes, and a reputation for tough talking which should serve him well in a boardroom which seems rarely to have been short of something to argue about over the last few months. "My tolerence for argy-bargy." warns Morton, "is pretty limited."

South African by birth—he and Sir Michael Edwardes lived at different times in Johannesburg's Outspan Road—Morton was making his presence felt in the City of London 12 years ago when, at 32, he was drafted in to put some zip into the 117 Group, the investment empire built up by Harley Drayton. He had already spent three years at the World Bank in Washington, an a further three at the Industrial Reorganisation Corp-oration under Sir Charles "You've got to keep Villiers. moving," he then said, "you've got to make three moves before you're 35."

Clearly, Morton could not then have been implying that 35 was the age at which you could afford to stand still indefinitely. In 1972 he was made chairman of Draymont Securities, a joint venture between Drayton (formerly 117) and Samuel Montagu to put it mildly, not seen eye to et up in the heydays of company dealing and doctoring. Four years later, Morton was the first senior executive after Shelbourne's move was recruited by the British amounted Morton's resignation National Oil Corporation.

BNOC might have raised the on the table, together with his odd oily eyebrow by starting its accusation of "a bad appointshopping outside the oil ment, badly made." industry, but it got a bargain. Since then, Mort Morton negotiated an \$825m appointed to the loan package which thanks to favourable exchange rate move-£2m net financing costs over the next three years.

was deservedly loud, but barely exploration company. He also had it died down when Morton sits on the Board of the British exited from BNOC in a situation Steel Corporation.



"I think it must be a film of Boycott batting!"

so heated that Boots Hansen himself might have had difficulty damping it down. BNOC needed a new chairman

to follow the pro tem Ronnie Utiger. In May 1980 energy sec-retary David Howell appointed Philip Shelbourne, chairman of Samuel Montagu and adviser to Howell on the privatisation of BNOC.

Shelbourne and Morton had, eye over the years during which their paths had crossed in and since Old Broad Street. A week as a senior BNOC director was

Since then, Morton has been appointed to the Massey Ferguson Board, where he is generally regarded as having a brief ments, cost the corporation just for British interests in the struggling company, and he became chairman of the Citystruggling The applause for that coup floated Thames Oil and Gas, an

But, challenging as those jobs ing a phased conversion, to might be, Morton has looked for the last year and a half like of the road, in line with praca Prince of Denmark without a tice in most other EEC Hamlet to act in. Timely, then, countries. The scheme will the drama with which Lord involve only heavy lorries to Kissin and Edmund Dell have begin with, just to see how it enthralled the watching City.

Scotch mist

"Goodness me." expostulates Mr Hamilton Meikle from the distinctly non-Caledonian city of Cardiff, having read my report of the Aberdonian who took the walipaper with him when he moved house. Such anecdotes, he says, have been the stuff of Aberdeen society gossip since his own Scottish erhooldays.

But does Mr Hamilton Meikle demand an apology for this uncompromising picture of household economy in his former homeland? Not a bit of it. He goes on to tell me of the Aberdomian horse which refused to move despite severe personal barassment because of the 6d piece"—which dates that one a bit—" beneath its hoof": and a folk remedy which even I have heard before namely, that the way to cure an Aberdonian of sea-sickness is to place a 10s note between his

Mr Hamilton Meikle does, however, have a tale of his own to tell about an incident for which he makes the remarkable claim that it occurred only last week. A little mental effort is needed on your part, in that the alleged conversation takes place in a broad Irish accent. Try to imagine the narrator being, say, lan Paisley.

Two geese were soaring through the winter skies over Belfast. The leader turned to its companion and said, as geese do, "quack quack." A look of irritation clouded the laggard's face. "I am being," he replied, as quack as I can."

Finally, some more news from the Emerald Isle which may be of interest. The Irish Republic is, I gather, consider-

Back up the Hill

As the port shuffles round the table at the end of Wednesday night's dinner to launch the Hill Samuel £150,000 small business award scheme, look hard and you may see a gleam of nostalgia in the eye of John MacGregor, the Government's small firm minister and Hill Samuel's guest of honour for

For MacGregor would not have to cast his mind back very far to remember when he was himself a director of Hill Samuel in pre-Ministerial days. Between 1970 and 1978, he was responsible for the banking group's regional offices, and the development of their services. So happy, indeed, is the con-

figuration of events that you might scarcely guess that fortune had played a part in its shaping. For I gather that the name originally pencilled in at the top of Hill Samuel's guest list was that of Patrick Jenkin. Secretary of State for Industry, Jenkin, however, must instead attend an urgent meeting in Brussels-leaving MacGregor to step up from supporting to principal role.

The awards mark the 150th anniversary of Hill Samuel. The origins of the group date back to 1832, when Marcus Samuel began his trading activities with the Far East. His son, later to become the first Viscount Bearsted, pioneered the British oil industry with the formation in 1897 of Shell Transport and Trading—which he named after the sea-shells which his family firm imported to sell as ornaments for Vic

Observer



NATO AND POLAND

Inching towards a consensus

By Ian Davidson, Foreign Affairs Editor

CONSIDERING THE quarrels have been appeared by the and recriminations which have meeting of the foreign ministers led up to it, today's meeting of the European Community a Foreign Ministers of the Atlantic week ago, which undertook not Alliance on Poland may well turn out to be a surprisingly harmonious affair. The normal reflex of Alliance watchers will be to say that the Ministers have papered over the cracks, splits, fissures, etc. in Nato. But it seems possible that, at the level of government policy and practical actions some genuine degree of Barmony may be attented.

This is not to suggest that any of the structural problems of the Alliance have been resolved. On the contrary, they remain as deep as ever, and in terms of popular feeling in a number of leading countries, such as the and robust and realistic com-U.S. Germany and France, they mon assessment, for "some have been made quite a lot more substantial convergence of serious by the Polish crisis. The Germans clearly believe that the Americans have been excessively bawkish in their responses to the Rollsh crisis and decidedly precipitate in announcing even limited trade sanctions against the Soviet Union without consulting their. European partners. The Americans believe that the Germans have been cravenly self-interested in declining or delaying any explicit condemnation of the Soviet Union's role in the Polish crackdown. Indeed, the vituperation which Germany hasreceived from the American media (and, more surprisingly, from that in France as well) is:

The most that they expect is a collection of words

probably without parallel in the past quarter-century...

In terms of what to do now. however, the two governments seem to have moved much closer together than seemed progress, and the Americans admitted that they had not propassed by the Bundestag on standable.

December 18. The Americans This uncertainty is itself a

to undercut the American sanc-tions, and which clearly implied a readiness to look at limited trade sanctions of their own in the next few weeks; the Germans have been deeply relieved by the American decision not to postpone the theatre nuclear force talks with the Russians.

Most striking of all is the modesty of American hopes for the Press after the Schmidt-Reagan talks; General Alexan-der Haig, the Secretary of State, said that the U.S. was looking for "a convergence of assessment" for "a vigorous view," and for "very clear language with respect to Soviet responsibility for events and Soviet obligations to deal with those events." In short, a collection of words. _

There are two inferences which one can draw from these mouselike expectations. The first is that the Americans have been forced to accept that the Enropean allies have gone as economic sanctions as they are going to go for the time being, and that nothing will be served by trying to push for more just yet. Sanctions will have little or no effect unless they are widely supported and it is vital to ensure (after a false start) that the Alliance moves in step, even if the Americans have to adjust their pace. The other inference is that

the Americans, having started out with the reflex reaction of "shoot now, talk later," are no longer quite so sure what to do next to influence events in Poland, even if they had a free hand. After all, it is now just a month since the crackdown started in Poland and a little less than that since President Reagan announced his likely even a fortnight ago. In first, symbolic sanctions. The his talks with President results which censurant, Chancellor Helmut Schmidt results which censurant, duly endorsed the view that the least until the latest relaxation has made difficult to assess and Reason sanctions have apparently made no difference either to the Polish or the perly noticed the rather strong Russian leadership. In the cirall-party resolution condemning comstances, uncertainty about the crackdown which had been "the follow-on is rather under-



reflection of the uncertainty case of overt Soviet invasion, about what is happening in and whatever degree of com-Poland itself and about the real plicity one chooses to ascribe intentions of General Jaruzel-ski and his military Council. to Moscow, that does not appear to be the present situation. He and his spokesmen have On the other hand, Western repeatedly said they intend to maintain the process of reform in Poland. In the West we can-

gage on any negotiations for the rescheduling of the Polish debts which fall due in 1982. In a sense this decision has already been taken, since the meeting of Western creditors due this week has been cancelled, and it is all the easier to take because the Poles have not yet concluded a rescheduling agreement for 1981 with the Western banks. A fortiori. Western government; will not offer any new trade credits for this year until they get some satisfaction on the way things are going in Poland. The combined effect of these pres-sures on the Polish authorities will steadily build up as week succeeds week; and if the political situation in Poland seemed to be deteriorating rather than getting better, any Western government could no doubt start to think of revoking last year's debt rescheduling, on the grounds that exceptional circumstances had now rendered the agreement invalid.

governments can easily agree on

one thing, which is not to en-

More fundamental than the question of sanctions, however, is the general conceptual framework of how the Western countries deal with the Soviet on imports from as well as countries deal with the Soviet East-West relationships, because exports to, the Soviet Union. Union and its satellites. Here there are fundamental advanturately, these options it would seem as though there ages to the West as well as the were designed to deal with the has been a significantly bigger.

shift in the American position in recent weeks (or it may be months) than in that of West Germany One of the more remarkable aspects of General Haig's Press conference last week was his emphasis on the importance of communications with the Russians. He held out the possibility of a meeting with

Mr Gromyko, his Soviet oppo-

site number, and even in certain circumstances of a meeting between Reagan and Brezhnev. In moments of crisis, he said. communication may be even more important than at other times. In this respect, the U.S. has come to share the German Secondly, the Americans appear to have done a complete about-face on the vexed question of "linkage." President Carter put the second strategic

nuclear weapons treaty on ice of Afghanistan, with the result that the U.S. now has to re-launch talks without any guarantee that the outcome will be better than before. But the U.S. is not calling off the theatre nuclear weapons negotiations with the Russians because (says Reagan President believes that "these talks constitute a very special category of East-West relations and, as such, they must be dealt with outside the context of what we would refer to as more normal

dialogue seeking control of nuclear armaments." So much for linkage.

Third, there is the question of Yalta, Helsinki and détente. Some people assume that Yalta was a carve-up which simply handed over Eastern Europe without conditions. Not so. The Russians promised democratic Institutions and free elections in "liberated Europe," and in the case of Poland specifically promised multi-party elections with universal suffrage and secret ballots. We all know rights if it was served up on a plate with blinis. We may believe that Helsinki helped precipitate the Solidarity

A significant shift in recent weeks in the U.S. position

revolution, but we know that, if the euphoria of détente in the early 1970s did wonders for East-West trade, it did nothing shift East-West strategic relations.

In this context, it may be significant that the French Government is reconsidering the amount of Soviet gas it may be prepared to buy; not in order to punish the Russians, hut because the reliability of Soviet sourcing looks much more questionable when the stability of the Soviet empire is itself in doubt.

The fact is that Western governments cannot determine events in Eastern Europe, and should not try. The best they can do is say what kinds of things they will do to help, and what they wont. In the immortal words of Fats Waller:

"I'll sigh for you (yeah), I'll cry for you (yeah), I'll tear the stars down from the sky for you; What more can I say? You

Well, I won't do it! If this ain't love, it'll have

want me to rob a bank?

within quotation marks, some of which were attributed to named officials, what people in touch with the Bank of England already knew: that the Bank of England was highly sceptical of the Thatcher Government's economic policies. secret ballots. We all know what happened there, and in the rest of Eastern Europe. The Helsinki Final Act is much less retiring executive director, "is Helsinki Final Act is much less specific than Yalta; but by now we do know that the Russians would not recognise the validity of any commitment to human rights if it was served up on a specific than Yalta; but by now a theology,"; and "central banks are not theological places—at least, this one isn't," was his schoolmasterly rebuff. Life will

schoolmasterly rebuff. "Life will go on when some of the nostrums have died." added another official. "We may be less than enthusiastic," said a third, "but actual sabotage—that's ludicrous."

Public sniping between governments and central banks is a normal and reasonably healthy event in many countries. healthy event in many countries. It is unusual, however, in Britain, where the sniping is normally conducted behind

closed doors.
"What would have happened f Treasury Ministers or officials had made similarly trenchant criticisms of the lack of cooperation they have received from the Bank?" I asked a colleague. "It would have been our main front-page story." was his Bank criticises Treasury like "Dog bites man:"

Treasury criticises Bank" is

like "Man bites dog." The Treasury has a good deal for which it could criticise the Bank: ranging from misleading intelligence about the effects of abolishing "corset" controls in 1980 to summit-level attempts to block a Medium Term Financial Strategy and opposition to indexed gilts, which really deserves the label "theological," especially when coupled with an advocacy of long-dated nominal stock at high double-digit yields with maturities stretching far

into the 21st century.

This is quite apart from longstanding grievances about the way in which the Bank automatically expects to receive Until the real thing comes; by the Stalinist insistence on engage more directly in Cadoctrinal unity, once Governor bate.

By Samuel Brittan ON DECEMBER 17, 1981. Gordon Richardson has made readers of the Wall Street up his mind. "There are many Journal learned in sentences views on this subject in the within quotation marks, some Treasury," remarked the Chancellor at one meeting, "Do you mean to say that you are all agreed in the Bank?" The

Lombard

Time Treasury

answered back

Governor's reported reply was:
"My colleagues think the proposal bad. But I think it bad and mad." The Bank's present cause célèbre is its attempt to ban the Hongkong and Shanghai's bid for The Royal Eank of Scotland. The fear is that a Hong Kong bank would be less amenable to the Governor's frown. For anyone who believes in a government of laws rather than of men, this would be highly desirable—not to speak of the benefits of banking com-

petition. Nor is it pleasing to hear people in the City heartily endorsing criticisms of the Bank, but saying that it is more than their life (or living) is worth to make them themselves. One merchant bank economist was reproved for ringing the Treasury for information instead of proceeding dutifully via the Bank.

But, at the end of the day, it is of the Treasury one feels most critical. For how can one respect an institution which takes all criticism—whether instinctive reply. In other words, from the Bank, the spending ' is Departments or the Cabinet "wets"—lying on its back with its paws in the air? Even after the Wall Street Journal article, it had no public re-sponse other than to keep the same low profile which has done itself and the British economy so much harm from the time of Concorde on-

It has preferred to lose battles rather than engage in unseemly public bickering. When the British ship of state finally sinks below the horizon, the last object to be seen will be a Treasury flag emblazoned with the motto: "At least the leaking did not come from us."

dent should not be to sloush the Treasury reports, but keeps Bank into grouter discretion much of its own analysis to but to allow its own Ministers itself. Nor are matters helped and nullcy-minted officials to

Letters to the Editor

Re-think called for in public transport policy

From the Chairman and Chief Executive of London

Transport Sir.—May I endorse the views set out by Dr John Whitelegg (December 30) on the need for a commonsense solution to the provision of, and the support

for, an adequate level of public

transport services for Londonso vital to the nation's capital. For those who—as Mr E Dixon (December 29)—reasonably complain about out-of-date practices (such as lack of automation) may I point out that compared, say, with the equivaient of £1.8bn of capital which been available to the smaller Paris RATP during the past 10 years, London Transport received less than one-third that amount. Hence the relative ability of the Paris Metro

London Transport does not. as Mr Dixon suggests, "choose not to attempt to run automatic trains " and it does not "choose to operate a ticket issuing system which is costly and in-convenient." We are, in fact, well ahead with the development of an advanced automatic fare collection system which (however desirable) require very substantial capital investment to install. Moreover, as further new rolling stock is

to modernise extensively,

Line But again, the rate of is depends upon the availability of funds.

London Transport's cardinal

task remains within the Act "to provide such public passenger transport services as best meet the needs of London," within the resources available and "so far as is practicable." The extent of those resources, and by whom they shall be provided, is at the kernel of the issues which follow the recent judgment of the Law Lords on the interpretation of the Transport (London) Act 1969. London Transport's total costs -at less than 1.8p a place-mile operated — bear comparison with those of any other major urban transport organisation but our rate of revenue-support is one of the lowest in the

My view is that a funda-mental re-think of policy towards public transport in the United Kingdom is now required—to be coupled with the obligation, as stated in the Act, to provide services to meet the needs of London " with due regard for efficiency, economy. and safety of operation."

To provide adequate public transport services in today's conditions, a compromise has to provided, increased train auto- be struck between the prices

office mation will be introduced as charged to the traveller and From the Director, shown already on the Victoria costs borne by the community

at large. Transport undertakings in major cities overseas receive—on average—revenue support in excess of 50 per cent of total costs. Hence fares are relatively low but total income relatively large.

not know whether he genuinely means it nor, if he does,

whether he can carry it through

against the views of hard-liners

in the party Apparat, to say nothing of those in Moscow.

We certainly cannot assume

that.reform and a new national

concordat is a quick and easy option. After all, Solidarity and

the state negotiated for 16

mouths without reaching effec-

tive agreement on their respec-

tive rights and obligations. In-deed, it may be that the only

quick option would be the

maintenance of a harsh Stalinist

regime. This means that the

West must be prepared to con-

sider the possibility that the Polish crisis will have to be

When the Nato foreign minis-

ters meet today, they will of

course run over the options for

economic retaliatory action

which have been lying in a

drawer for over a year. Though

never published, these inevit-

ably cover a wide range of pos-

sible restrictions on trade, and

almost certainly include curbs

played long.

A reasonable price for a reasonable service in London might well be achieved were a policy of revenue support to be based on a simple formula and incertive of £1 of subsidy for every £1 of commercial revenue earned. That would be less generous to the operator than the average of such subsidies overseas and it would demand efficiency to achieve satisfactory results. Moreover it would embrace a healthy incentive to keep costs down and to improve commercial income wherever

In my view contracts, negotiated with a body representative of all those concerned (HMG, London Greater boroughs and county councils) to provide agreed frequencies of services on London's buses and the Underground, at agreed prices, would be an effective and business-like approach, coordinated with British Rail and the National Bus Company. Sir Peter G. Masefield,

A national audit

Chartered Institute of Public Finance and Accountancy

Sir. - There seems to be a general acceptance (including yourselves-December 21) that the Public Accounts Committee proposals for the development of a national audit office (including local authority and health audits) is incompatible with the Government's proposal to establish an audit commission responsible for the audit of local authorities in England and Wales. Indeed, the early day motion signed by over 250 MPs of all parties could, if taken to its logical conclusion, pose threat to the Government's audit commission proposal.

incompatible. Independence of the auditors

would be ensured by the conmore high-quality entrants.

Local government opposed the national audit office idea when was originally proposed on the grounds that it would allow Parliament to interfere in the development of policy by local authorities. Yet the audit commission could be the very device that local authorities (and perhaps the health authorities, too) need to give them the confidence that Parliament asking its shareholders to sanc- would not be able to interfere be established.

> Some changes would be needed to the Local Governof the early day motion.





There's more than one lady with influence in British industry.

In fact, there's an army of them, just like Alyson Hodgson. Though Alyson's name is unlikely to come up at a CBI meeting, she is as concerned as the lady on the right in keeping British industry running efficiently and cost-effectively. Because 24-year old Alyson, of Esher, is one of

Gardner Merchant serve over 2,000 clients in industry, commerce, hospitals and schools. Gardner Merchánt's 2000 Catering Managers. The canteen that she manages is These include
Rolls Royce Motors,
BP Chemicals, W H Smith,
Brooke Bond Oxo, IBM, supported by a small regional team. And across the whole country there are many similar teams, each providing the same local Barciays Bank,
Commercial Union,
American Express,
Hairlax Building Society,
BUPA, University College,
Oxford and Eton School. service that has made Gardner Merchant the

biggest and most successful catering management organisation in Europe. Gardner Merchant has built an unrivalled reputation for good food at work.

This has been achieved largely by encouraging people like Alyson to develop fully their catering skills and by making the company's resources readily available at local level.

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Gardner Merchant, as a highly successful international division of Trusthouse Forte, can use some pretty effective muscle when it comes to buving food and equipment.

And even more important, trains and motivates people to standards that few in catering can match.

As Alvson would point out, being the biggest means that Gardner Merchant has the strength and resources to provide the finest local service, and the management and drive to make it all work.

The lady on the left may never make the headlines, but with every meal she provides, she contributes towards Britain's prosperity; And the lady on the right would certainly approve of that.

For further details, please write to:-Michael Oliver, Marketing Director, Gardner Merchant Limited, FREEPOST 100, LONDON EI 8AY, or dial the operator and ask for FREEFONE 5525.



SERVICEOFFICES NATIONWIND & ACQUIDATED SELFAST O BIRMINGHAM O EMPEURGH O GATESHEAD O GLASGOW O HITCHIN O CONDINO WARDEN SERVICE SELF O ERRES O META WALCH O SELFA CONTROL O AUTHORITON MEATHL SUBSICIARIES IN THE RICHARD FUELD. BELGIUM, GET MAN, MOLLAND AND THE MICHAED FOR THE METALE FROM

Investing in vital skills

From the Director,

Understanding British Industry Sir - Your leader "Investing in Vital Skills" (December 16) identifies a major problem in developing skills for working life — the competence of our present teachers to work in this

The whole schools and working life area is bedevilled by being strong on analysis and ideas and weak on implementation. For this reason the CBI Education Foundation's Understanding British Industry Project (UBI) has concentrated on programmes to improve teachers' competence and confidence to teach about business and the realities of working life. Many local education authorities, businesses and teachers are working together, but the number needs to increase substantially if the Gov-

teachers, but this could be expanded. The cry will go out about "resources," but many schemes of co-operation between education and industry require only a shift in priorities rather than an increase in expenditure.

If as a first step, each local can contribute to business effec. £3m over the past few years.

J. W. Nisbet Sun Alliance House, New Inn Hall Street, Oxford.

Hidden subsidies need control From Natalie Hodgson

Sir,-It is indeed welcome ernment's training initiative for news that the recent "Gill young people is to be effective golden handshake" is being There must be a substantial in- brought to the attention of Parcrease in teacher secondments liament. If, indeed, a committee to industry and associated in- of inquiry is to be set up, then Astley Abbo service training. Some comits scope should surely be ex- Bridgnorth, panies already make their traintended to cover all the anomalist Shropshire.

ing facilities available to lies now existing in the field of company finance. It is boring to repeat that

55 Broadway SW1

Edwardes, Allport and Messervy. managing directors of BL, Metal Box and Lucas all took a salary rise of 30 per cent or so, while attempting to hold the humbler employees to single figures. It is almost unfair to use their authority could look at the names when other instances training needs of teachers it abound, BET has set aside 4m employs and the help that shares for the use of a few business might provide locally, executives who can take options then we would be on our way at 40p and sell at market price to a population of young people (currently 135p). This must that not only understand, but have cost the company £2m or

ANZ has produced an even more breath-taking idea. It is tion company loans, not only to in their day-to-day affairs, full-time executives, but also to should a national audit office their spouses and relatives. A company loan on preferential terms would of course be equivalent to a cash gift, if the money

If we are to arrive at industrial harmony, hidden subsidies need to be controlled. Natalie Hodgson. Astley Abbotts,

were to be invested profitably.

Yet the two ideas of a

national audit office and an audit commission need not be

stitutional divide between legislature and executive; modern audit techniques could take place across the public sector and the experience gained in one part could be readily used elsewhere; disposition of audit resources (particularly in the different regions of the country) would mean better use of audit expertise including a consistent approach to the use of private-sector auditors across the whole of the public sector; strengthening of central support services such as data banks and research facilities for auditors would greatly improve their efficiency; and a better career structure for auditors could be developed which would attract

ment Finance Bill particularly to allow for a merger of official establishments but, given that the Government's audit commission proposals need not be threatened by the implication N. P. Hepworth. 1, Buckingham Place, SW1.

Pension funds insight into Habitat plans

group headed by Mr Terence Conran, have received amplification of the commercial logic of the ambitious £117m takeover of Mothercare. At a meeting with Habitat's merchant bankers, Morgan Grenfell, at the end of last week, a Case Committee of the National Association of Pen-sion Funds asked for details of the future organisation of the

The committee was formed in view of the funds' concern that the specialist retail group to which they had subscribed in an offer for sale last October would be submerged by a deal with He the much larger Mothercare. "bra Ahead of the meeting next as a Thursday at which Habitat share-holders vote on the proposed merger, the group's pension fund 'now satisfied" that the areas of organisation chandiser in Mothercare, U.S."

PENSION FUND investors in product mix and geographic Habitat, the home furnishing spread "have been studied in considerable depth by the Habitat and Mothercare managements and their advisors." A statement by Mr Conran,

covering the main points raised the committee, said that "Habitat's strategy will be to re-establish Mothercare 'experts' and specialists and to recapture the middle class market." Mr Conran outlined several

examples of the benefits which would accrue to each side after the merger, with particular emphasis on natural fibre content, design and merchandising. He expects to introduce "brauded and imported clothes as a short-term measure to speed the process of change."

He felt that the deal would "speed the appointment of an

fashion

Clayton acquires Philson

acquired 90 per cent of the maximum sum of £80,000 payable capital of Philson Engineering on December 29 1983. for £288,000 cash on December 31 1981. The sale is deemed to Philson for the year ended take effect from September 1

Clayton's has also agreed to acquire the remaining 10 per shall pay to all the vending shareholders, pro rata, an amount per cent on the pre-tax profits of equal to four times the difference Philson. of Philson for that period and

Banco Bilbao Banco Central Banco Exterior

Banco Ind. Cat. ...

Banco Santander . Benco Urquijo Banco Vizcaya ... Banco Zaragoza ...

Espanola Zinc

Dragados

The last audited accounts of

August 31 1931 showed net pre-tax profits of £53,709 and net assets of £208,973 after deducting deferred grants and deferred tax

on December 29 1983. If the aggregate net profits before tax of Philson for the profits before tax of Philson for the profits before tax tors, Mr P. Phillips Mr. of Philson for the period Harrison and Mr J. B. Davies in September 1 1981 to August 31 their present capacities at 1983 exceed £160,000, Clayton's salaries aggregating £36,576 plus. in each case, a commission of 2

The earliest date of termination of each agreement is December 31 1985.

CHURCHBURY EST./ LAW LAND

The directors of Churchbury Estates and the Law Land Company state that Law Land has sold by tender its long leasehold shop investment in 1-24 Queens Parade, Hastings, for £4.01m in cash against a book value of £1.55m (valued in 1979).

The annual net loss after related borrowing costs attributable to this property was £23,035. The funds are to be used to repay short-term debt. As a

result of this transaction, pre-tax profits in 1982/83 should improve by approximately £400,000.

	t Lane London EC3R	8FR		eleph	one (31-971	1212
				_		. P/I	
£0000,8			Change				Fully
apitalisatio		PTICE	on week	QIA"(b	1 %	Actual	LEX 60
1,184	ABI Hidgs. 10pc CULS	119	+ 1	10.0	8.4		
4,052	Airsprung	70	+ 1	4.7	6.7	11.1	15.4
1,150	Armitage & Rhodes	46	+ 1	4.3	9.3	3.8	8.7
12,220	Bardon Hill	200	_	.9.7	4.9	9.7	11.8
6,655	Deborali Services	86	. =	5.5	6.4	4.3	8.1
4,111	Frank Horsell	129	+ 3	6.4	5.0	11.6	23.9
9,624	Frederick Parker	63	_	1.7	2.5	29.5	_
886	George Blair	48	_			. ==	
3,299	IPC	96	- 1		· 7,6	6.9	10,4
2,520	Isis Conv. Pref	105	+ 5		15.0		
2,454	Jackson Group	97	- 1	7,0 .		3.1	8.9
15,734	James Burrough	114	+ 1	8.7	7.6	8.3	10,5
2,611	Robert Jenkins	256	- 4	31.3	12.2	3.6	9,0
2,700	Scruttons "A"	55	_	5.3	9.6	8.5	7.9
4.076	Torday & Carlisle	167		10.7	6.4	5.4	9,3
2.778	Twinlock Ord,	13	— 01 ²			_	_
2,020	Twintock 15pc ULS	74	_		20.3		
4,425	United Holdings	29	_	3.0	10.3	5.2	8,8
9.760	Walter Alexander	77	. –	6.4	8.3	5.1	9.0
5,041	W. S. Yeates	216	+ 2	13.1	6.1	4.1	8.3
	Prices now available	on P	restel pa	ge 48 14	46.		

.1 M Nightingale & Co Limited

Linfood places holding in Bishop's Stores

Linfood Holdings, the cash-and-carry food group, has placed its holding in Bishop's Stores with the Courtauld Pension Fund. Its 12.2 per cent holding of the voting shares was worth about £360,000 at Friday's unchanged price of 170p and its 38.3 per cent stake of the non-voting A shares was worth around £1.2m at the price of 92p,

down 4p on the day. Following on from the sale of the wholesale division (subject to shareholders' approval), vesterday's move continues the balance sheet adjustments in the wake of the costs of fighting off last year's £91m take-over bid from Argyll Foods.

RECEIVER SELLS TWO COMPANIES

Mr Richard C. Turton of Spicer and Pegler. Nottingham chartered accounts, Receiver and Manager of Ste-Co Products and Steel Construction and Engineering Company (Notts.) says the business and assets of both com-panies have been sold on a going concern basis to Cranthorpe. The sale should ensure the continued manufacture of the companies' products in Sutton-in-Ashfield and preserves employ-ment for the workforce.

LOVABLE SALE At the request of Berlei (UK) and Lovable Spa, of Italy, the joint receivers of the Lovable Company have reached an advanced stage of negotiations whereby the business is expected to be sold to Lovable Spa by the end of this month. Lovable Spa will establish a wholly-owned subsidiary in the

to be known as Lovable (UK) Limited.
It is understood that Lovable Spa will enter into an association with Berlei (UK) in order HIGHER RATES of reversionary dent Institution for 1981. to facilitate and benefit from bonus rates have been declared rate for life policies issued

the development of both businesses in the UK. Prior to completion of the contract with the receivers, both Lovable Spa and Berlei (UK) are carrying out a study of all Lovable activities in the UK including marketing, sales, distribution and production.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are besed mainly on last year's timetable.

TODAY
Interims:—Courts (furnishers), Ellis and Everard, Magnet and Southerns, H. Samuel, Wheeway Watson.
Finals:—A. G. Barr, Braid Group, Claverhouse Investment Trust, FUTURE DATES

Interims:

City of London Trust Jan 27
Danse Investment Trust Jan 13
Westpool Investment Trust Jan 19

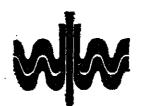
Higher bonus rates have been Jan 26 Higher bonus rates have been Jan 13 declared by the National Provi-

Public Works Loan Board rates

I GOLO II	OI III	-	V 4444 X			
	Effec	tive J	January 9			-
	Quota	košna	repaid at	Non-quota	loans	A* repaid at
Years	by EIPt	A‡	maturity§	by EIPt	A‡	maturity§
Up to 5	164	165	165	174	173	174
Over 5, up to 6	161	16¥	16 }	173	172	17
Over 6, up to 7		163	164	174	17#	17
Over 7, up to 8		16.	168	173	172	17
Over 8, up to 9		164	164	171	176	17
Over 9, up to 10		167	16 1	178	171	17
Over 10, up to 15		163	164	171	17	163
Over 15, up to 25	16k	16	16	161	16:	163
Over 25		15	15 į	161	16	16}

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

All these securities having been sold, this announcement appears as a matter of record only.



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Gredit Suisse First Boston Limited

Daiwa Europe Limited

Den norske Credifbank

Fuji International Finance Limited

Goldman Sachs International Corp.

The Hongkong Bank Group

Merrill Lynch International & Co.

Bank of New Zealand

Salomon Brothers International Development Finance Corporation of New Zealand

Mr. Morton's difficult task

BY WILLIAM HALL

GUINNESS PEAT

Em 39.0

41.1

Lord Kissin was supported in

his views by some of the non-

came clear towards the end of

last year that Lord Kissin would

only be happy if Mr Dell was

removed as chief executive. He

had already notified the board

The two men were scheduled

with continual dissension.

period of uncertainty which, in

rate for life policies issued since 1976 is lifted IOp to £4.65 per

ten before May 1, 1971.

MANNIN DIAMOND INVESTMENTS

LIMITED

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THE TRING HALL USM INDEX 117.3 (+0.5) close of business 8/1/82 Base date 10/11/80 100 Tel: 01-638 1591

> CORAL INDEX Close 527-532 (+2)

words of last week's brief board statement, "has been most

* Excluding goodwill.

the group.

Net worth Net borrow

Alastair Morton celebrates his 44th birthday this morning by starting work as the new chief executive of the troubled Guizness Peat group, which is almost 1978 certainly the most difficult job be has taken in his relatively short but distinguished financial career.

He inherits a group which is

expected to report shortly a first half loss, is overborrowed and whose management morale has been seriously undermined by the long-running feud between Lord Kissin, the group's founder and president, and Mr Edmund Dell, his hand-picked successor. His first, and most important,

task is to settle Lord Kissin's future relationship with the group, something Mr Dell, who is staying on as non-executive Chairman, failed to achieve. As one banker close to the group commented: "it is Lord Kissin's continuing influence in the corridors of Guinness Peat and his Rolls-Royce outside the front door, which is the main prob-

Ever since Lord Rissin handed over to Mr Dell and left the board in November 1979 he has continued to play an active role in the company's affairs. Under Mr Dell, the group has sold off many of the interests which Lord Kissin had brought into the

Mr Dell has been auxious to reduce the group's borrowings but Lord Kissin felt that some of the sales, such as the group's stake in Linfood Holdings, have been made at unneccesary low

by the United Kingdom Provi-

declarations were made every

On life policies the rate is

assured and attaching bonuses-equivalent to around £5.09 per

cent on a three years basis. The

1980 three-year bonus rate was

£5 per cent. On pension contracts

the new rate is £5.65 per cent

equivalent to around £5.97 per

cent on a three-year system. The

1980 bonus rate was £5.75 per

proved its terminal bonus rates for claims in 1982. On life con-

tracts the new scale will vary from 35 per cent to 50 per cent of attaching bonuses against the

previous scale of 20 per cent to

35 per cent. For pensions the rate is a fixed 25 per cent of

attaching bonuses.

three years.

declaration. Previous

UK Provident makes its

first annual declaration

dent Institution for 1981, the first cent of the sum assured

£4.85 per cent of the sum dowments maturing at age

time the company has made an attaching bonuses. For pre-1976

damaging to the company."
The intention now is to develop the group's potential as a "widely based financial services and international trading

Mr Morton has an open mind about the group's future plans. Aside from solving the problem of the group's relationship with Lord Kissin he says that the level of borrowing requires positive action." executive directors and despite attempts at reconciliation it be-

He has no firm views on earlier plans to bring in outside capital into Guinness Mahon, the accepting house, but admits that banks have an "appetite for capital." He sees many advantages in a

that he was considering a partial financial services group being associated with a first-class merbid for a significant stake (thought to be 20 per cent) in chant bank and feels these advantages have not yet been fully realised in the Guinness Peat group in the past. Lord Kissin has welcomed Mr Morton's appointment. He said on Friday: "I am anxious to help Mr Morton in any way I can to restore confidence in Guinness Peat's future as an "I would like to see the relationship between trading clients

and the bank work more successfully," says Mr Morton. independent entity, to remove any uncertainty, and to reassure shareholders, management and staff at all levels." He plans to review the group's operations with an open mind and says he hopes to bring to the group an "ability to order priorities and negotiate positively.

to meet over the weekend to discuss their views and Mr Morton said he wanted to con-However, time is not on his The group still needs to e its borrowings subtinue to draw on Lord Kissin's expertise. However, he also said that he had limited patience stantially and its executives are aware that several would-be suitors have been doing their The hope is that Mr Morton's appointment, which has been made with the Bank of sums about the break-up value of a group capitalised at no England's approval, will end a

more than 260m currently.
While Gninness Mahon is regarded as one of the prize parts of the group, given its accepting house status, it is too small at present to operate effectively as an international merchant bank

Finally, there is the problem of Lord Kissin whose energy and determination built the group in the beginning, but whose continued involvement is sapping management morale. If Mr Morton cannot succeed as chief executive it is hard to see

who else could.

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

mant less

int nil

Date SecuricorFeb 18 Final 1.11 Assoc, Dairies Jan 28 Int. 1.75 Security Services...Feb 18 Final 1.8 Fisheries...Feb 19 Final 0.75 Sime Darby ...Feb 19 Smith Bros. ...Feb 15 Tate and Lyle...Jan 20 Newspapers...len 14 Final 5.9 Assoc. Paper inds....Jen 15 Final 0.79 Thorn EMIJan 14 (S. and W.)...Jan 14 Final 6.5 Birmid Trusthouse Forte...Jan 21 Final 9,543 Union Discount...Jan 27 Final 14.0 Qualcast...Feb 18 Final nil Qualcast...Feb 18 Final nil.

BET Jan 15 Int. 1.863

Brown (J.)len 30 Int. 1.75

Controvincial Estates...Feb 12 Int. 1.33

City OfficesFeb 18 Int. 1.25

*Daily Mail and Gen. Trust...Jan 14 Final 16.5

DalgetyFeb 18 Int. 11.0

*Distons Photo...Jan 14 Int. 1.312

DownyFeb 12 Int. 2.2 Board meeting Intimated. 1 Rig jasus since made. + Tax free. FT Share Information The following securities have been added to the Share Infor-

mation Service:

Asprey & Company (Section:

Five Oaks Investments (Pro-

perty). Good Relations Group (Paper

Printing).

Hardanger Properties (Pro-

perty). Staffordshire Potteries 10%

Conv. Cum. Red. Pref. (Idus-

Drapery & Stores).

Usagery

"Dixons Photo... Jan 14 Int. 1.312
Dowty Feb 12 Int. 2.2

"Eurotherm Intl. Jan 27 Finel 3.0

"Firth Lovell... Jan 28 Int. 1.497
Guinness Peat Feb 10 Int. 2.75

"Hogg Robinson Jan 12 Int. 3.0

"Imperial Group Feb 11 Finel 4.5

"Kenning Motor... Jan 12 Finel 3.75

"Loyds Bank Feb 19 Finel 9.8

"Londo Bank Feb 5 Finel 6.0

"MFF Furniturs... Jan 19 Int. 1.1

"Magnet and Southerns... Jan 13 Int. 2.0

"Marchwiel Feb 19 Finel 3.6

"Mercantile House... Jan 25 Int. 5

"NotWest Feb 25 Finel 12.25

"Race)

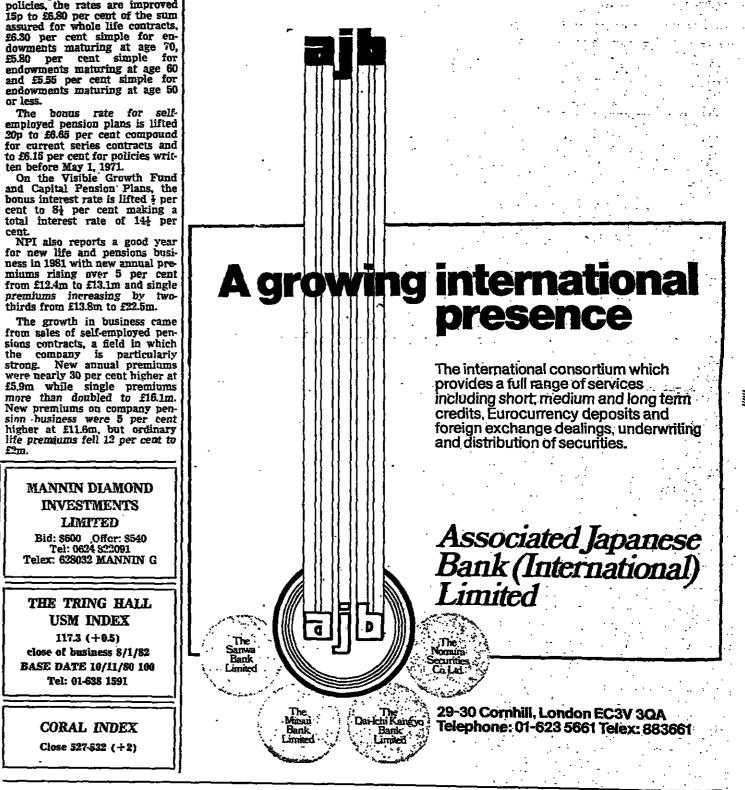
*Rscs)
Electronics Jan 13
Rank Org. Jan 21

United Computer & Technology Holdings (Trusts, Finance, Land).

FINANCE FOR INDUSTRY TERM DEPOSITS. Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.

Interest paid gross, half-yearly. Rates for deposits received not later than 29/1/82 4 5 6 7 3 Terms (years) 131 131 131 131 131 14 14 14

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Rd., London SEI, 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFT" FFT is the holding comment for Total

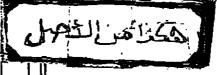


All these securities having been sold, this announcement appears as a matter of record only.



European Economic Community

U.S. \$25,000,000



15½ per cent. Bonds due 1993

Arab Banking Corporation (ABC)

Banque de Paris et des Pays-Bas

Nomura International Limited

Banque Bruxelles Lambert S.A.

Kuwait Investment Company (S.A.K.)

Orion Royal Bank Limited

S. G. Warburg & Co. Ltd.

INTERNATIONAL CAPITAL MARKETS

CREDITS

Tougher terms for Mexico

BY PETER MONTAGNON

IT HAS NOT person a happy the market and nervousness start to 1982 for Bertin. Apart from the \$2 a beauth air in the price of the heart crade oil amounted. The heart crade oil amounted from the \$2 a beauth the finance Ministry levels, the Finance Ministry levels, the Finance Ministry levels, the Finance Ministry levels, the holidays, Venezuela's \$500m was reported to have gone better than expected. A total concept a direct sector Euro-credits.

This desired meet, confirmed by the desired from credit for the desired from the separation and speculation was growing on Friday that the final amount of the deal could be increased.

But the \$400m credit for Argentina's state oil concern type was making slow bankers person and the syndicated due to what many bankers person to the state of the deal could be increased.

hare

mation

talking point in the syndicated

arranged through Lioyds Bank International Verbal agreement on the conditions was reached last week and the formal mandate is expected to follow this

eck Lenders will have an option to contribute funds at a margin of per cent over U.S. prime cent for the first two rate, but the Libor margin is a 1 per cent thereafter, full 1 point over that on These margins a full 1 point over that on These margins are lower Mexico's last dead, a \$500m that is normal for Italian

Bankers had been expecting margins on Mexican credits to rise in view of the country's very large borrowing require ment, estimated at some \$20bn gross this year. The question being asked on Friday was whether an increase to 1 per cent over Libor would set a new and viable level for future

A number of other mediumterm berrowings are still believed to be under discussion in Mexico, including a large credit for the state oil concern Pemex which had previously been expected to open the New Year borrowing programme.

Simultaneously syndication started last week of the United Mexican States DM 400m credit mandated to Deutsche Bank at the start of December. This credit bears a margin of 1 per scheduling has become bogged cent over Legidon Euro down by the aftermath of mar-Deutsche Mark refes for four tial law, and both countries face ears but it can be extended for. a further four at the option of

anks. The interest Issue is expected
The New Year's market was to dominate the Costa Rican business was reported from appealing against a decision by other quarters. Many bankers a U.S. court denying it an expect a fairly singgish start to attachment order on assets of

YPF was making slow progress, due to what many bankers per-ceive as misguided marketing strategy. A complicated struc-Benevical is paying a margin strategy. A complicated struc-of per cest over London inter-ture was devised for selling the hank offered rates (Libor) for credit to participants in the credit to participants in the market which a number of bankers claim is hard to understand, ...

Elsewhere Italy's state investment concern IMI has completed a \$200m, eight bank club loan led by National Westminster and Sanwa Bank. The five-year credit bears a margin of } per cent for the first two years and

package for the state develop creatits but the deal's attraction ment bank Mathiax.

As enhanced by its exceptionally is enhanced by its exceptionally short average life of 21 years. Austria has again managed to

raise funds at a margin of } per cent over 10 years. This time the borrower is the state industrial holding concern Oesterreichische Industrieverwaltungs AG which has raised DM 200m in a two-tranche credit led by the Viennese Girozentrale. Half the amount was banks and the rest was offered internationally on a club basis. For the coming week re-

schedulings remain high on the agenda with Western government creditors of Poland due to meet in Paris on Thursday and bank lenders to Costa Rica in Miami on Wednesday.

Little substantial progress is expected from either meeting, however. The Polish debt reproblems keeping interest current on their outstanding debt.

thus left with something of a balks, which will not be helped Mexican fayour, so things new by the fact that Libra Bank is 1982 given the volatile state of Banco Nacional de Costa Rica. INTERNATIONAL BONDS

Mitsubishi brightens lacklustre market

JAPANESE borrowers returning to the Eurobond market with last week seeing the appearance of a hitherto bond offer with detachable warrants to purchase equity. The deal is a \$50m five-year

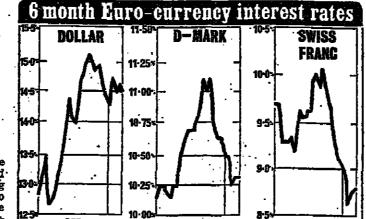
offer for Mitsubishi Chemical and it is reported to be doing very well. In a generally lack-lustre market, the Mitsubishi issue was comfortably oversubscribed 48 hours after its launch.

. The Mitsubishi issue was one of four Japanese bond offers in Europe last week. The other three were directly convertible into equity. But the Mitsubishi deal,

which is set to be priced tomorrow, is the most innovative offer to come out of Japan for a long time. Each bond—which has a \$5,000 denomination—carries one warrant which can be detached upon delivery and exercised one month later.

The warrant is valid for the full five-year life of the bonds and the exercise price will be fixed tomorrow on the basis of a premium of around 21 per cent above the average share price of the previous six days. The number of shares a warrant may used to purchase will also be decided on a formula basis. Considering that the warrant provides a five-year option, the

expected premium seems quite reasonable. But what is the true value of the warrant?



with the bond trading at around 83½ per cent.

The bonds, with an expected coupon of 11 per cent, would yield 16.04 per cent at 83. This compares favourably with any Japanese convertible yields, which are basically equity investments in the long-term.

The warrants would prove profitable when buying shares only if the shares rise by at least Y50, assuming current exchange rates.

This Mitsubishi deal seems to offer something to both the borrower and the investor. The borrower gets \$50m at a coupon rate significantly lower than in the fixed-rate sector. There is also the prospect of up to another \$50m in equity invest-

The investor gets a reasonable bond yield at current price levels. In addition, there is the speculative element of the war-rant and the opportunity to exercise an option on Mitsubishi shares in the next five years.

Last week was fairly diffi-When the deal was launched cult elesewhere in the Euro- Friday's \$80m Nippon Electric on Tuesday the warrants traded market. With the exception of convertible.

at around 17 per cent in the the Banque Francaise du Comgrey market. By Friday the merce Exterieur issue, which warrants were being quoted at was increased from \$250m to 151 per cent to 16 per cent \$400m, there was little primary market activity. The enthusi astic response to the BFCE issue is a major feather in the cap at the Republic of France and for French institutions following the market's post-Presidential election apprehen-

> In the secondary market prices were adrift last week as traders searched for a new level at which to start the New Year. There was some swopping from Eurodollar, D-mark and Swiss franc bonds into U.S. Treasury bills and Yankee bonds, but European markets were relatively quiet.

In the D-mark bond sector there is some cautious optimism about short-term interest rates. The foreign bond calendar, to be set today, should be a hefty

Back in the Japanese convertible sector, the flow of issues will continue today with a \$40m 15-year offer for Hitachi Cable through Nomura Securities. The coupon will be around 52 per cent, the same level as

REDEFINING U.S. MONEY SUPPLY

Shifting monetary sands hamper Fed's control

suggested a few.

around them.

and subject them all to reserve

requirements thus building what he called "a most"

Currently only banks have to

deposit reserves with the Fed.

These vary according to the

size and term of the funds

deposited. The Fed recently

failed to persuade Congress to

legislate similar requirements

for money market mutual

funds, many of which it argued

This new aggregate could

are just bank accounts in

MUCH CONFUSION has arisen on Wall Street in recent months monetary policy the Federal Reserve has been pursuing. largely because of the sharply differing behaviour of the various Ms, or money supply measures, the Fed tries to control

Looking at the narrow measure, M1-B, which rose only 2.5 per cent in the first 11 months of last year, policy looks "tight." But M2, the broader measure, rose just over 10 per cent in the same period, making policy look quite "loose." The reason is that money has

been fleeing M1-B (which includes bank current accounts, which yield little or nothing, and money in circulation) into high yielding havens like savings accounts and money market mutual funds which fall under M2. So ironically, the tighter the Fed squeezed last year, the higher interest rates went, and the faster M2 grew.

Given that the Fed still seems to be committed to a monetary policy that depends largely on targeting the growth of the money supply, these shifting monetary sands are making life increasingly difficult.

Add to that all the financial innovations that Wall Street is cooking up such as cash management accounts that automatically transfer money between bank accounts, money market funds and securities. and the whole question of defining money in its various forms becomes tremendously complex.

Although the Fed believes the then be controlled both by changing reserve requirements and influencing interest rates. problem is still manageable, its top officials are already giving But there would be problems. serious thought to the changes that will have to be made in .How well would the new aggregate respond to changes the years ahead as to how the in interest rates? Politically. money supply is defined and would Congress be willing to give the Fed wider powers to Mr Anthony Solomon, president of the New York Fed, recently unburdened himself of impose reserve requirements?

Probably not in its present mood. Even if it did, the financial community would complain about the "tax" that his thoughts on the matter in a speech predicting that innovation and deregulation in the U.S. financial industry could reserve requirements represent make it difficult for the Fed because the Fed does not pay to control any money supply interest on them. Alternatively, the Fed could definition that had any meaning—a prospect that would alarm any central bank. target the growth of total bank reserves (which it does to some extent already), or the monetary base must favoured by monetarists. But although The point of his speech was not to ring the alarm bells but to set people thinking about

both are controllable, they tend possible remedies, of which he not to change closely enough with the economy at large to One would be to create a wholly new money supply be a useful policy guide. A third possibility might be definition which includes all to replace the money supply targets with a measure of credit, like bank credit. But transactions accounts, whether bank accounts, money market mutual funds offering chequewriting privileges and so on,

again there could be control problems. In all these cases, Mr Solomon fears that the financial community will only invent new instruments or money accounts that escape the Fed's control net. Mr Solomon even predicted that the Fed might have to

play down money supply targeting altogether and articulate its goals in new terms, such as growth of nominal GNP, which would imply trying to manipulate the growth of the economy as a whole-an awesome pros-

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Сопроп	Price	Lead manager	Offer yield <u>%</u>	Borrowers	Amount m.	Maturity		Coupon	Price	Lead manager	yield %
U.S. DOLLARS BFCE†‡ Mitsubishi Chemical Minorco§ Orient Finance§ Nippon Electric§	400 Su 60 60 80	1987 1987 1997 1997 1997	\$ 5 15 15	510 *	100 100 100 100 100	CSFB, Credit Lyonnais Morgan Stanley, Yamaichi Hambros Nomura Ind. Daiwa	5.319°	SWISS FRANCS Ansett! Oest. Donaukraftwerke! TransCanada Pipelines! Nihon Radiator** ENEL !	50 100 100 40 100	1991 1991 1994 1987 1991	=======================================	7½ 7 7 8	101 100½ 100½ 100 99¼	Handelsbank SBC UBS CS Banque Gutzwiller, Kurz	7.3S5 6.929 6.937
CANADIAN DOLLARS Nat. Bank of Canada;	50	1988	6	161	100	Societe Generale	16.580	·						Bungener, CCF (Suisse)	8.132
D-MARKS ECSCI ECSCI	125 60	1987 1994	5 8½	94 94	100 100	Deutsche Bank Deutsche Bank	9.750 9.750	GUILDERS BFCE! † Floating rate note. © Minis	700 mum. 5 0	1984	9 <u>!</u>	12%	701	AmRo Bank	12.040

t priced. The mail to mis. - - risectment. Thousand rate note. Thintings, S C If Registered with U.S. Securities and Exchange Commission. Thurchase fund. If Issue may also be sold on an FRN basis. Note: Yields are calculated on AIBD basis.

All of these Securities have been sold. This announcement appears as a matter of record only.



The Industrial Credit and Investment Corporation of India Limited

(Incorporated with limited liability in India)

US\$30,000,000 Guaranteed Floating Rate Notes due 1991

Unconditionally quaranteed as to principal and interest by India

Manufacturers Hanover Limited Standard Chartered Merchant Bank Limited

Credit Suisse First Boston Limited Bank Brussel Lambert N.V. Crédit Agricole Kleinwort, Benson Limited **Grindlay Brandts Limited** Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Lloyds Bank International Limited Morgan Guaranty Ltd Orion Royal Bank Limited Tokyo Finance (Asia) Ltd. State Bank of India

Arab Banking Corporation (ABC)

Bank of America International Limited

Bank Grizwiller, Kurz, Bungener (Overseas) Limited

Banque Nationale de Paris

Banque Worms, Hong Kong Branch

Citicorp International Group

Crédit du Nord

Daiwa Europe Limited

Den norske Creditbank

Girozentrale und Bank der österreichischen Spariassen Aktiengesellschaft

Gulf Riyad Bank E.C.

Indian Overseas Bank Hong Kong

Kidder, Peabody International Limited

Limited

Sernuel Montagu & Ot, Limited

The Nikko Securities Co., (Europe) Ltd.

Nippon European Bank S.A.

Nomura International Limited

Norder Bank Limited

Sanwa Bank (Underwriters) Limited

Somitomo Finance International

Limited

Sanwa Bank (Underwriters) Limited

Limited

Limited

Sanwa Bank (Underwriters) Limited

Limit

December 16, 1981

U.S. \$50,000,000

Finnish Export Credit Ltd

14% Notes Due 1986

MORGAN STANLEY INTERNATIONAL

BANQUE BRUXELLES LAMBERT S.A.

DEUTSCHE BANK

KANSALLIS-OSAKE-PANKKI

KREDIETBANK INTERNATIONAL GROUP

KUWAIT INVESTMENT COMPANY (S.A.K.)

MANUFACTURERS HANOVER

MERRILL LYNCH INTERNATIONAL & CO.

SWISS BANK CORPORATION INTERNATIONAL

UNION BANK OF FINLAND LTD.

S. G. WARBURG & CO. LTD.

BANK OF HELSINKI LTD.

December 16, 1981

U.S. BONDS

Turn-of-the-year turbulence

TURN-OF-THE-YEAR turbu- sponded badly to big jumps in gress. That's asking a lot." lence is what some people call the money supply, however the bumpy ride the U.S. credit well advertised in advance.

change, but no less volatility, recessions were little comfort, rate for December, the second Wall Street seems to hope that All eyes are now on the prosthe markets will sail through pects for the 1983 budget which for bonds. Investors will be to calmer waters later this President Ronald Reagan will month, but the turbulence may announce in the coming weeks, not yet be over.

strong growth, M1-B fell by bolstered. only \$1.45n last Friday, less be specially bad for technical past, the market has always re- thinks will get through Con-

were all weaker on balance ket. This is not a subject any rebound in loan demand from last week, though there were one approaches coolly, and the private sector has receded, lots of ups and downs. economists' assertions that Last Friday's announcement of Short-term rates showed less deficits do not matter during an 8.9 per cent unemployment Unless it contains sharp tax in-Much of it had to do with creases, including personal inworries about the money sup- come tax. Wall Street's conply. After the previous week's fidence is unlikely to be

It was noticeable that when than the market had expected. Mr Donald Regan, the Treasury So, on the charts at least, the Secretary, said last week that strength of money supply buldge still looks big. This extra taxes were being congrowth is that it places the week's figures are expected to sidered be made no impact on the market at all. As one com-mentator said: "Wall Street reasons (the timing of social mentator said: "Wall Street security payments at the begin-wants not only big tax inning of this month). But in the creases, but ones which it

The market's greatest solace

is that the economy appears to markets have been through in The Government deficit has be going through a nasty recesthe last fortnight. Bond prices also returned to haunt the mar- sion, and the prospect of a worst ever, was "good" news watching the statistics this week anxiously for further On Friday, the Government will announce the producer price index, which is likely to be up about 0.5 per cent, and industrial production,

which could be down 1 per cent. Part of the problem with the Federal Reserve in an increasing dilemma. Should the credit policy makers tighten the reins to bring M1-B back under control at the risk of stifling the economy? Or can they afford

to ignore the money bulge in the interests of fostering a recovery. Fed officials admit that the dilemma is looming, but only if money supply continues to rise

The market's weakness last week pushed borrowers back on the sidelines - not surprisingly since the borrowing cost for corporations has gone up nearly 2 percentage points since the bond market peaked Whether they will be able to come back soon is a moot point.

The Treasury is due to sell a record of nearly \$40bn of debt this quarter and it will take a robust market to handle much corporate debt on top of that.

U.S. INTEREST RATES (%) Fed funds wkly, av.
3-month Trees, bills
3-month CD
30-year Treas, bonds
AAA Util.
AA Industrial
Source: Selemon Re

drug unit lifts sales

By Our Financial Staff

GROUP TURNOVER Farmitalia-Carlo Erba, the largest Italian pharmaceutical concern, rose 30 per cent to L650bm (\$575m), last year while profit "should be widely higher than L16bn posted in 1980," Mr Ugo Niutta, the chairman said. The figures are provisional.

He said that group indebtedness was cut by L60hn last year but he did not give the total Turnover is expected to grow by an average of 25 per cent a year until 1984. Mr Niutta made his com-

ments at a shareholders assembly which approved a capital increase to L70.86bn from L54.51bn. The company which is a Montedison unit. will make a one-for-10 scrip issue and a one-for-five rights issue at L3,000 a share.

Following the issue, Monte-dison's stake will fall to 70 per cent from 89 per cent.

Montedison VW in talks with SEAT on production in Spain

BY ROBERT GRAHAM, IN MADRID

wagen the assembly of VW's seemed to be concentrating on Polo and Derby cars in Spain. The companies have been in contact since last April and matters are sufficiently advanced for VW to send a 12-man team to Spain. It is due

here today. News of these contacts was given in detail yesterday by the El Pais newspaper. No one was available at Seat vesterday for comment. However, motor industry sources confirmed that there had been contacts between the companies.

Seat has been searching for foreign help since Fiat decided in June, 1980, not to lift its stake in the company to full control. Fiat subsequently sold for a token sum its stake to INI. the Spanish state holding Although VW's name has

of ears, is discussing with Volks which now controls Seat; principally Barcelona. seeking Japanese help. recently as September INI said it was close to an agreement to assemble 10,000 to 15,000 Tovota cars a year.

VW admitted last week that it was in discussions with Seat but added that nothing concrete had been agreed. VW had no additional comment yesterday. Seat sees licensing and assembly agreements as only short-term measures while it continues its search for a new international equity partner.

Seat is proposing to VW that it assemble 135,000 Polo or Derby cars at its most modern some \$200m in 1981. This, plant on the outskirts of This effectively represents Seat's current surplus capacity out of a total of

SEAT. Spain's largest producer been mentioned before, INI, production to other plants, Seat is now concentrating or

As two main models, the Panda and the Ritmo, both with First technology, and it intends to produce these as long as they have a market life. The proposed deal has three

attractions to VW. It would gain access to the Spanish market: it would be investing very little initially; and it would elso have the right to import 12,000 cars a year, probably Audis.

However, one important problem could be the attitude of VW's labour force in Germany

Seat is believed to have lost coupled with the delay in finding a new international partner, is forcing it to think of developplus capacity out of a total of ing its own technology for 400,000 cars a year and will volume production in the midenable it to switch its Pampiona 1980s.

New president for Massey Ferguson

senior vice-president of plan-ning and administration, has been appointed president of MASSEY-FERGUSON, Toronto. Mr Victor A. Rice, who previously held that title as well as chairman of the board, remains chairman and chief

executive officer.
Mr Rice said Mr Laurenzo's appointment is more a change sidiary of Eutchison Whampoa. of title than of role. The com- Mr Wade will take up his pany is going through a reorganisation putting farm and industrial machinery together a similar world engines division, finance and some Mr Paul For necessity as supermarket chain, a subsidiary of the Associated Dairies group in the UK.

Mr Michael Hoffman has been appointed president-designate of the farm and industrial equip-ment division and Mr James Felker president-designate of engines division. Mr Hoffman was previously vice-president, Europe, world export and southern hemisphere operations. and Mr Felker vice-president of manager the engines group.

• Mr David Hodgkinson has been

appointed manager of the Zurich branch of the HONG KONG AND SHANGHAI BANKING CORP. appointed managing director of the Swiss International trading house VOLGART BROTHERS,

Winterthur. Mr Marcel Nietlishack joins the board while remaining a company manager. Mr A. C. van der Linden, group corporate planning manager has been appointed company secretary for HUTCHISON WHAMPOA HONG KONG in addition to his

role as group corporate planning manager. Mr G. H. Tilbury, investment manager, has been appointed group treasury and investment manager of Hutchison Whampoa. Mr Ian Wade has been appointed managing director of A. S. WATSON AND CO., a wholly-owned subappointment in carly March. He is presently an associate director of the ASDA supermarket chain,

division manager, has been promoted to director and general manager, retail division of A. S. WATSON AND CO. Mr P. M. Bros and Mr G. R. Ashman have been appointed executive directors of Harbour Engineering Company, a subs Hutchison Whampoa a subsidiary of Mr Eric Sjogren, general nuager of BURSON-

MARSTELLER, Brussels, for the past three years, has been named director of European financial relations. His position is taken by Mr Richard Plumformer deputy ridge, rioge, the former deputy general manager. Both men are vice-presidents. Mr Muzaffar Rashid has been

INTERNATIONAL APPOINTMENTS

named new manager of the • Mr Paul Tiller, an English-

man, has been appointed controller, Philip Morris International, New York.

R. J. BROWN AND ASSOCIATES, Zug, Switzerland, has appointed Mr Andrew C. Palmer as vice-president of engineering and member of the executive committee Resed in group of companies.

Mr Robert C. "Barney" international sector of the PARKER HANNIFIN COR-PORATION. He replaces Mr Alfred W. Lindstrom, who has retired. Mr Barnd has been president, Parker Europe, based in Western Lines 1977. His in Watford, since 1977. His new duties will include responsibility for finance, administration, manufacturing and marketing for all Parker operations outside of North America, including East) EC. export. He will move from Hertfordshire to Papper Pike, ing supplier of components for fluid systems in industrial, automotive and aerospace markets. • SANTA FE MINERALS (UK). has transferred Mr Allyn B. Henderson, executive vice-president to Houston, Texas as president of the newly formed SF Exploration Inc., which will specialise in offshore exploration in the U.S. His successor in London will be Mr Cedric E. Morgan, who has been promoted

Lynch, vice-president, In addition, Mr R. A. Stewart has been promoted to director of finance and Mr Roger G. Turner to chief reservoir engineer.

• THE POON GROUP of companies has made the following Mr Michael R. Tarant has appointments in the Middle East. been named senior vice-Mr John Patrick Dwyer to engineering and member of the managing director, he was pre-executive committee. Based in viously the executive director. Holland, Dr Palmer will assist in and is a director of Poon Interthe management of the RJBA national, Poon (Middle East) EC and Poon (Saudi). Mr Wolf Vierich to regional general Barnd has been named president, manager, he was previously the chief executive, corporate development for Poon (Middle corporate chief East) EC and prior to that, the chief executive of Daoud Poon Jordan (one of the Group). Mr Ronald Taylor to area manager— Kuwait, he was previously the assistant general manager— Kuwait. Mr John F. Butcher to general manager—Poon (Saudi) he is a director of Poon (Middle ● Mr E. C. Freeman-Attwood

Hertfordshire to Papper Pike, will retire as president of Ohio. Parker Hannifin is a lead-BRASCAN BRAZIL on February 2. Dr Roberto Paulo Cezar de Andrade will be appointed president. He is vice-president and general counsel of Brascan Brazil. Mr Freeman-Attwood will continue as a director of INTERNATIONAL TELE-Brascan Brazil pending his PHONE AND TELEGRAPH taking up a new appointment. • RCA Records, New York, has He appointed Mr Jose Menendez as predivision vice-president, staff group general manager, operations and finance, with reponents—Europe and sponsibility for finance, business conductors worldwide. vice-president, affairs, operations services and Roessle is based in Freiburg, prime rate.

supported by Mr Michael T. strategic planning, a newly created staff position; and Mr Ekke Schnahel becomes division vice-president. international. with responsibility for all record division activities outside with

the U.S. and Canada. been named senior vice-president of RCA/COLUMBIA PICTURES INTERNATIONAL VIDEO. He has been released from his post as vice-president home entertainment for Columbia Pictures International, which he assumed in 1980, to take this new assignment.

● Mr D. A. Gledhill has been elected to the board of CATHAY PACIFIC AIRWAYS, Hong Kong Mr Gledhill who holds senior executive directorships in a number of Swire Group and asociated companies, is also a director of John Swire and Sons (HK) and executive director, shipping and offshore, of Swire Pacific.

Mr William R. Fitzgerald has been promoted to vice president -programs for the satellite com-munications division of HARRIS CORPORATION, Melbourne, Florida.

Mr Heinz F. Roessle has been elected a vice president of INTERNATIONAL TELE-CORPORATION of New York. will continue as president-ITT Europe group general manager, and

West Germany, and is responsible for semiconductor operations worldwide and for component companies in Austria, Belgium, France. Germany, Italy, Scandinavia, Spain, Switzerland, the Netherlands and the UK. Mr Hans-Eberhard Wolloy has

been elected a vice president of ITT. He will continue as vice president—ITT Europe and general manager-ITI brake systems worldwide. Mr Woliny also continues managing director of Alfred Teves GmbH with headquarters in Frankfurt, West Germany.

Mr James T. Woolf has been elected as a vice president of FIT. He remains director—corporate development for FTT worldwide.

• Mr D. M. Latimer, executive director, marketing, ESSO PETROLEUM, has accepted an appointment with Exxon Corporation in New York, and has resigned from Esso. He is succeeded by Mr R. E. Lintott, formerly executive director, logistics.

 Veneer Hotels has signed a S\$37m (US\$18m) credit provided by the Development Bank of Singapore and the Bank of China. The loan will help finance the building of its \$\$75m Furama Singapore Hotel which is scheduled for completion at the end of next year. The interest rate on the five-to-seven year loan will vary from 21 to 23 per cent over the Singapore

First merchant bank formed in Sweden

BY WILLIAM DUILLFORCE, NORDIC EDITOR, IN STOCKHOLM

merchant bank, the Carnegie Investment Company and the Skandia Insurance Company. The agreement was signed yesterday afternoon and a formal announcement will be made today.

One change from the project, first reported in December, is the inclusion of Skandia who obtains a 10 per cent shareholding and a representative on the Board. Samuel Montagu and Carnegie will hold 45 per cent each. The initial capitalisation of the venture, to be Norway's largest aluminium known as Carnegie-Montagu, will be SKr 33m (\$6m) of which SKr 22m will be share capital.

Mr Staffan Gadd, the Swede who became Chief Executive of Samuel Montagu in 1980, will NKr 223m for 1979. be chairman of the board which will include Mr Carl Langenskiold, Carnegie's managing director. The board is expected to announce today the appointment as managing director of Mr Krister Wallin,

SWEDEN's first merchant bank appointed finance director of was formed here yesterday by ASEA, the Swedish heavy elec-Samuel Montagu, the London trical industrial group. He worked previously for the Swedish Investment Bank.

Carnegie is a publicly owned company with a diversified stock portfolio containing about SKr 1bn in assets. Through its stockbroking subsidiary it is one of the most prominent security houses in Sweden Skandia the largest privately owned Swedish insurance company, has been actively expanding its international operations in recept years.

producer, the state-owned Ardal og Sundal Verk, made a loss in 1981 and expects an even heavier loss this year. Profit in 1980 reached NKr 257m against

The Government is understood to be plainning changes on the boards of several stateowned industrial concerns and there is speculation in Oslo that the management of ASV could was only recently soon be reshuffled.

2,249,6

65L8

No information available-previous day's price,

† Only one market maker

supplied a price. STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date

next coupon becomes effective. Spread=Margin above six-month

offered rate (three month;

above mean rate) for U.S.

CONVERTIBLE BONDS: De-nominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion

rate fixed at issue. Prem=Per-centage premium of the current effective price of acquiring shares via the bond over the

most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market, exists. The prices over the past week were supplied by: Krediet-bank NV: Credit Commercial de

C.cpn = The current C.yld = The current

Previous week

earlier.

dollars,

coupen, yield,

This amount ement appears as a matter of record only

SNP40IO

Istituto Bancario San Paolo di Torino

Public Works Section

ECU 30,000,000 14 34% Notes due 1988

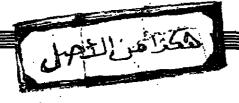
Istituto Bancario San Paolo di Torino Crédit Lyonnais Kredietbank International Group

Algemene Bank Nederland N.V. Amro International Limited Banca del Gottardo Bank Brussel Lambert N.V. S.A. Banque Nationale de Paris Société Générale de Banque S.A. Banque Internationale à Luxembourg S.A. Crédit Commercial de France

Alahli Bank of Kuwait (K.S.C.) Crédit Général S.A. de Banque Gefina International Limited Sanpaolo-Lariano Bank S.A.

Banco di Roma Banque Privée de Gestion Financière B.P.G.E Eurogest S.p.A. Euromobiliare S.p.A. Nederlandse Credietbank n.v. Nippon European Bank S.A. Sanwa Bank (Underwriters) Limited Sparekassen SDS

December 3, 1981



EUROBOND TURNOVER (nominal value in \$m) 16.68 16.42 15.64 U.S. \$ bonds Last week.... Previous week Other bonds

U.S. DOLLAR
STRAIGHTS
Anhouser-Bush 16½ 88 100
APS Fin. Co .17½ 85 ... 60
Armco O/S Fin. 15½ 86 50
Bank Montreal 16½ 91 150
Br. Colum. Hyd. 16½ 88 100
Br. Colum. Mla. 17 97 54
Can. Nat. Rad 14½ 91 200
Caterpillar Fin. 16½ 86 100
CFMP 16½ 86 ... 100
CIBC 16½ 91 ... 100
Citicorp O/S 16½ 86... 150
Citics Service 17 88 ... 150
Citics Service 17 88 ... 150
Cons. Bathuret 17½ 88 60
CPC Fin. 16½ 86 ... 50
Dupont O/S 14½ 88... 50
CPC Fin. 16½ 86 ... 50
Dupont O/S 14½ 88... 400
EIB 16½ 91 ... 100
GMAC O/S Fin. 16½ 84 300
Gulf States O/S 17½ 88 40
Nat. Br. Canada 16½ 88 40
Nat. West. 14½ 91 ... 100
New Brunswick 17 88 60
Nat. West. 14½ 91 ... 100
New Brunswick 17 88 60
Newfoundland 17½ 89 150
Sasketchewan 16½ 88 ... 150
Cuehec Province 15½ 91 ... 100
Swodan 14½ 88 ... 150
Sasketchewan 16½ 88 ... 150
Sasketchewan 16½ 88 ... 150
Sasketchewan 16½ 88 ... 150
Swodan 14½ 88 ... 150
Swodan 16½ 88 ... 150
World Bank 16 86 ... 210
World Bank 16 88 ... 250
World Bank 16 88 ... 200
World Bank 16½ 88 ... 100
Average price changes... C
DEUTSCHE MARK

DEUTSCHE MARK

Change on Change on His dorse for the His dorse day week Yield 100°2 101°1, 0 +1°1, 8.06 90°3 91°4 0 +0°4, 8.32 98°2 89°2 +0°3 +0°4, +0°4, +1°4, 8.24 102°4, 102°4, +0°4, +1°4, 8.24 100°4, 10°4, +0°4, +0°4, +0°5, 8.21 15 20 12 12 15 15 15

FT INTERNATIONAL BOND SERVICE OTHER STRAIGHTS

FLOATING RATE

NOTES

Spread Bid

Bank of Montreal 5t, 90 0t, 99

Bank of Montreal 5t, 91 0t, 98

Bank of Montreal 5t, 91 0t, I Bid Offer C.db. C.con C.yld

SSI-100 18/6 14/4 14.29

SSI-100 18/6 14/4 14.29

SSI-100 18/6 14/4 14.29

SSI-100-12/4 17.08 17.08

SSI-100-12/4 17.08 17.08

SSI-100-12/4 16-94 18.91

SSI-100-12/4 16-94 18.98

SSI-100-12/4 16-94 18.98

SSI-100-12/4 17.06 17.06

SSI-100-12/4 17.06 17.06

SSI-100-12/4 17.06 17.06

SSI-100-12/4 17.13 17.13

SSI-100-12/4 17.13 17.13

SSI-100-12/4 17.31 17.36

SSI-100-12/4 17.33 17.35

SSI-100-12/4 17.33 13.26

SSI-100-12/4 17.33 13.26

SSI-100-12/4 17.33 13.26

SSI-100-12/4 17.33 13.36

SSI-100-12/4 17.33 13.36 FLOATING RATE

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France; Credit Lyonnais, Com-merzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg. Krediethank Luxembourg. Algemene Bank Nederland NV. Pierson, Heldring and Pierson Credit Suisse/Swiss Credit Bank Union Bank of Switzerland Akroyd and Smithers: Banken Trust International: Credit Com mercial de France (Securities London; Citicore Internationa Bank; Daiwa Europe NV; Delter Securities (UK); EBC; Frs Chicago, Goldman Saries International Company Control Philippe national Corporation: Hambre Bank; BJ International; Kidds Bank; BJ International; Klass-Peabody International; Manufac-turers Hansver; Merrill Lynch Morgan Stanley International Nikko Securities Compan (Europe); Orion Royal Bank Salumon Brothers International Samuel Montagu and Co.; Scot dinavian Bank; Societe General Strauss Turnbull; Sumitons Strauss Turnbull Sumitors Finance International S. C. Warburg and Co., Wood Gundy.

Closing prices on James

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The bearing are mainly for the purpose of considering dividences are not available and the sub-divisions are not available and the sub-divisions shown seems are based mainly on last year's timetable.

DIVIDEND & INTEREST PAYMENTS-BOARD MEETINGS

COMPANY MEETINGS-BOARD MEETINGS contain inv. THE.

CENTAIN INV. THE.

CENTAIN INV. THE.

DIVIDEND & INTEREST PAYMENTS—

PICEISTAIL Morphage Variable 8ds.

(1/63) 67-1750.

Little Notes 1962 5420.07

CH. Sales Water Alex Unity 700 Max

dd. 245pc

CH. Sales Inv. Set. 1,2325p

LITTLE STAN LANG.

THE LITTLE ST Sakers Finance and Jun. 13cm
THURSDAY ANNUARY TA
COMPANY METUNION
British Sugar, The Huste Park Hone, 66
Knighthoriogs, Sw. 12:00
Castlefield (Klang) Rubber Est., 1-4 Gt.,
Tower Street, Ec., 21:00
Hawkins and Tipson Charlered Accountains Hall, Moopaid Zhee, EC. 2:30
Killinghall Glidber (Development Synd.,
1-4 Gt., Tower Street, EC. 12:00
Royal Bank; of Sociand, North British
Hotel, Edibburgh 12:00
BOARD MEETINGS

DIVIDEND & INTEREST PAYMENTS-Breistreen 0.40
Brown Shipley Hidge Stig Bend
(370) Pepil 52
Funding 3-pre 1999-2004 14-pr
Funding 3-pre 1999-2004 14-pr
Kwik Saye Discount Grp 3.49
Leigh Interests 1.83-p
Leigh Interests 1.83-p
Leigh Interests 1.83-p FRIDAY JANUARY 15 COMPANY MEETINGS-DIVIDEND & INTEREST PAYMENTS-

AMAX inc Sub Dist doc
Agri Mortgage Storchb 1980-85 2kmc.
Do Shorchb 1993-95 2kmc. Do Shorchb
1992-94 Storchb 1993-95 2kmc.
Angih-American Cosi 46cts
Angih-American Secs Ln 2pc
Assod Elec Inds Dh Storc
Burlow Rand 49cts (CS)
Bergen Bk. A-S Fituratents 1891 541.05
British Steam Specialities 2p
Broadstone Inv Tet SpcPf 1.75pc, Do
5 hpcPf 1.925pc

Gen Mining Union Cpn Pf 3pc Grampian Television A 1p Graeca SpcNatilin 1907 (Assd) 21:pc Howard and Wyadham Ln 9ec Ind and Gen Tat Db 21epc no and cent list Db 21gpc intal Thomason Organ 10.8512cts (Illingball (Rubber) Dev Syndicate 10p Law Land SpCPt 1.75pc Laws Foundries and Eng. 6pcPt 2.1pc London and St Lawrence Inv Db 21pc London Brick Ln 7pc ondon County 5 pc 1982-84 24pc Lucas Inds Ln 5-spc M and G Dividend Fund Inc 5-2p MK Elec Grp 5p Marks and Spencer 1.75p Met Water Brd Staines Res Jt Comm 3p Gtd 1-spc Morgan (J. P.) 85cts. Do IDRs 85cts Morgan (J. P.) 85cts. Do IDRs 85cts Do. Do. 3pc

Nat. West. Finance BV Gtd. Fing. Rate
Cap. Notes 1991 \$463.19

New Throganeton Tst. 1p

North Surray Water 4.55pc (fmly 61pc)
Red. Pf. 1980-51 Dbs. 2, 2ls. 24s. 34gc

Northern Inv. Improvement Tst. 5p

Octioantal Petroleum 62.5cts

Parkland Textile 1.5p

Pauls and Whites 2.25p

Philoom Bpc Pf. 4.537pc

Quaker Oats 48cts

Quebec Central Railway 2.5pc

Rowinson Construction 0.18125p

Sandwell 13pc Red. 1985 71:pc

Sand (B, F.) Real Est. Inv. Tst. 5cts

Set Containers Pfd. 52.5cts

Do. 19pc 1990 34-pc

Do. 11pc 1990 34-pc

Do. 11pc 1990 71:pc

Union Steel Corl. (of South Africa) Detd.

SATURDAY JANUARY 16 DIVIDEND & INTEREST PAYMENTS— gio American Secs. Corp. 41200 Pf. This advertisement is issued in compliance with the requirements of The Council of The Stock Exchange and is not an invitation to any person to subscribe for or to purchase any share capital or other security of the Company.

Anglo American Industrial Corporation Limited

2,530,743 options to subscribe for ordinary shares in Anglo American Industrial Corporation Limited

The Council of The Stock Exchange has admitted the options to subscribe for ordinary shares in Anglo American Industrial Corporation Limited to the Official List.

The options will be issued to holders of ordinary shares in De Beers Industrial Corporation Limited in the ratio of 25 options for every 100 ordinary shares held.

Particulars of the options are available in the Extel Statistical Service and copies of such particulars may be obtained during business hours on any weekday (Saturdays excepted) up to and including 25 January 1982 from:

Charter Consolidated P.L.C. 40 Holbom Viaduct London EC1P 1AJ

11 January 1982

Rowe & Pitman City-Gate House 39-45 Finsbury Square London EC2A 1JA

BASE LENDING RATES ABN Bank 144%
Allied Irish Bank 144%
American Express Bk 144%
Amro Bank 144%
Amro Bank 144%
Arbuthnot Latham 144%
Associates Cap. Corp. 15%
Banco de Bilbao 144%
BCCI 144%
Bank Hapoalim BM 144%
Bank Leumi (UK) Ltd 144%
Bank of Cyprus 144%
Bank Street Sec. Ltd. 16%
Bank of N.S.W. 144% ■ Hambros Bank Heritable & Gen. Trust 1419 **■ Hill Samuel** Hongkong & Shanghai 1419 Knowsley & Co. Ltd... 15 % Morgan Grenfell 141% National Westminster 141% Bank of N.S.W. 141% Banque Belge Ltd. 141% Banque du Rhone et de Norwich General Trust 141% P. S. Refson & Co. ... 141% Roxburghe Guarantee . 15 % Trade Dev. Bank Trustee Savings Bank 141% TCR Ltd. 141% TCB Ltd. United Bank of Kuwait 141% Whiteaway Laidlaw ... 15 % Williams & Glyn's ... 14 % Wintrust Secs. Ltd. ... 144 % Yorkshire Bank 1443 Members of the Accepting Houses Committee. 7-day deposits 12.50%, 1-month 12.75%, Short term £8,000/12 months 15.10%. 7-day deposits on sums of £10,000 and under 12½%, up to £50,000 13% and over £50,000 13½%. ‡ Call deposits £1,000 and over § Demand deposits 12124. 21-day deposits over £1,000 131276.

Robert Fraser 15 % 1 Mortgage base rate.

This announcement appears as a matter of record only

Azienda Autonoma delle

Ferrovie dello Stato

U.S. \$450,000,000

Three Tranche Financing Evidenced by the Issue of Notes

by virtue of existing legislation direct and unconditional general obligations of

The Republic of Italy

S.G. Warburg & Co. Ltd.

Soditic International S.A.

Sumitomo Bank, Merchant Banking Group

Banco di Roma

Republic National Bank of New York

The Long-Term Credit Bank of Japan Group

The Mitsui Bank Group

Nippon Credit Bank Group

The Sanwa Bank Group

U.S.\$150,000,000

Medium Term Eurodollar Credit Evidenced by the Issue of Notes

S.G. Warburg & Co. Ltd.

Soditic International S.A.

The Sumitomo Bank, Limited

Aktiennesellschaft

BancodiRoma

The Sumitomo Bank, Limited The Mitsui Bank, Limited

Continental Bank of Canada Alahli Bank of Kuwait K.S.C.

The Saudi National Commercial Bank O.B.U. Baltrain

(London Branch)
The Holdkaido Takushoku Bank, Limited

Yamaichi International (Nederland) N.V.

Nederlandse Credietbank (Overseas) NV

Banque Verneset Commerciale de Paris

Nippon European Bank S.A. Banco Espirito Santo e Comercial de Lisboa

The Sanwa Bank, Limited

Bancode VizcayaSA

Gulf International Bank R.S.C. The Mitsui Bank, Limited

The Nippon Credit Bank, Ltd. Managed by

The Long-Term Credit Bankof Japan, Limited The Sanwa Bank, Limited

Alahli Bankof Kuwait K.S.C.

Bancode Vizcaya SA

European Arab Bank Commerzbank

The Bank of Yokohama, Ltd.

The Hokkaido Takushoku Bank, Limited The National Commercial Bank

Funds provided by

Gulf International BankB.S.C.
The Long-Term Credit Bankoffagen Limited.
The Nippon Credit Bank, Ltd. Bancodi Roma-London Branch The Hokunku Bank Ltd... European Arab Bank The Bank of Yokohama, Ltd. Banco Hispano Americano, S.A. Sanpaolo Bank (Bahamas) Limited Commerzbank

BankofBritish Columbia
Mees&Hope Finanzgesellschaft AG
Arab Bank for Investment and Foreign Trade Bancode Sabadell, S.A. Banque Commerciale pour l'Europe du Nord (Eurobank) Bank für Arbeit und Wirtschaft

Agent The Sumitomo Bank, Limited

U.S.\$100,000,000

Medium Term U.S. Prime Rate/Eurodollar Credit Evidenced by the Issue of Notes

Lead Managed by

S.G. Warburg & Co. Ltd.

Soditic International S.A.

The Sumitomo Bank, Limited

Republic National Bank of New York

Banco di Roma

The Long-Term Credit Bank of Japan, Limited The Nippon Credit Bank, Ltd.

The Mitsui Bank, Limited

Managed by

The Sanwa Bank, Limited

The Bank of Yokohama, Ltd.

The Hokkaido Takushoku Bank, Limited Commerce International Trust Limited

Harris Trustand Savings Bank

Funds provided by

Republic National Bank of New York (Grand Cayman Island Branch) Banco di Roma (Chicago) The Hokuriku Bank, Ltd. Industrial National Bankof Rhode Island The Long-Term Credit Bankof Japan, Limited The Nippon Credit Bank, Ltd. Allied Bank International The Bank of Yokohama, Ltd.

Commerce International Trust Limited Banque de l'Indochine et de Suez Harris Trust and Savings Bank The Sumitomo Bank, Limited The Mitsui Bank, Limited The Sanwa Bank, Limited Hartford National Bank and Trust Company National Branch

The Hokkaido Takushoku Bank, Limited

Republic National Bank of New York

U.S.\$200,000,000

Floating Rate Notes 1988 Convertible until June 1988 into 15 per cent. Bonds 1991

S.G. Warburg & Co. Ltd.

Soditic International S.A.

Effectenbank-Warburg

Sumitomo Finance International

Banco di Roma

Banque Bruxelles Lambert S.A.

Takugin International Bank (Europe) S.A.

Dean Witter Reynolds Overseas Ltd.

Bayerische Vereinsbank International S.A.

Alahli Bank of Kuwait K.S.C.

Citicorp International Group

Crédit Industriel et Commercial

Grindlay Brandts

ITCE International

Mitsui Finance Europe

Nippon Credit International (HK) Ltd.

Österreichische Länderbank

Yokohama Asia

Sanwa Bank (Underwriters)

Banca Commerciale Italiana

Banca Nazionale del Lavoro

Banque Européenne de Tokyo

Compagnie de Banque et d'Investissements, CBI

Bankof Helsinki Ltd.

Bankhaus Hermann Lampe

Amboldand'S Bleichroeder, Inc. Banque Arabéet internationale d'Investissement (B.A.I.I.)

Bancodi Roma (Caribbean) Co. Ltd.

Crédit Industriel d'Alsace et de Lorraine

Eurogest spa.

Banque de l'Indochina et de Suez-

Ranque de Neuffize, Schlumberger, Mallet

BankMees&Hope NV

Berliner Bank **Aimengesellschaft** Credito Italiano

Berliner Handels- und Franklinter Bank Daiwa Enrope

Richard Danis & Co.

Kansalfis International Bank S.A.

McLeod Young Weir International Okasan International (Europe)

R. Metzler Seel, Sohn & Co. Sal. Oppenheim ir & Cie.

Osakaya Securities Co., Ltd.

Puji International Finance

Mitsubishi Bank (Europe) S.A. Pierson, Heldring & Pierson N.V.

GefmaInternationalLtd.

Société Bancaire Barclays (Strisse) S.A.

MTBC&SchroderBankS.A.

Genossenschaftliche Zennalbank AG

istimo Bencario Italiano The Micko Securities Co., (Europe) Ltd.

Norddeutsche Landesbank Société Cennale de Banque

Sparbankernas Bank

M.M. Warburg-Brinckmann, Wirtz&Co.

Trade Development Bank Overseas Inc.

Warburg Paribes Becker A.G. Becker

Banque Worms

Crédit du Nord

- Selective Tendering

The London Borough of Newham Department of Planning & Architecture is reviewing its lists of firms from which selections of restricted numbers of invitations to tender for work and supply of materials and goods will be made from 1st August 1982 onwards.

- Index of Categories of Work for Selective Tendering

 1 BUILDING WORKS
 (a) For Contracts up to and in excess of £1,000,000
 (b) For Contracts not exceeding £1,000,000
 (c) For Contracts not exceeding £500,000
 (d) For Contracts not exceeding £100,000
 (e) For Contracts not exceeding £20,000

 2 SYSTEM BUILDING
 3 SOIL SURVEYS

 4 DRIVEN ANN ROBER BILES SOIL SURVEYS DRIVEN AND BORED PILES DESIGN. SUPPLY & ERECTION OF REINFORCED
- NCRETE SIGN, SUPPLY & ERECTION OF REINFORCEMENT RUCTURAL STEELWORK INFORCED CONCRETE FLOORS & ROORS ICKS-SUPPLIERS
- B REINFORCED CONCRETE FLOORS & ROORS

 BRICKS-SUPPLIERS

 DROOFING (a) Sub-Contractors (b) Suppliers

 TIMBER ROOFS, FRAMES & THUSSES

 FLOORING (a) Sub-Contractors (b) Suppliers

 WINDOWS (a) Sub-Contractors (b) Suppliers

 DOORS-SUPPLIERS

 (a) Stendard (b) Stiding, Folding or "Up & Over"

 ELECTRICAL SERVICES (a) Sub-Contractors

 (b) Electrical Heating Sub-Contractors (c) Suppliers

 TV ARRIAL INSTALLATION

 LOUDSPEAKER CONTROLLED DOOR ENTRY SYSTEM

 LIGHTNING CONDUCTOR INSTALLATION

 INTRUDER ALARMS

 MECHANICAL SERVICES

 (a) Sub-Contractors (b) Suppliers

 (b) Suppliers

 SANITARY FITTINGS

 IRONMONGERY & CLOAKROOM FITTINGS

 REFUSE CHUTES & FLUES

 LIFTS

 KITCHEN FITMENTS SUPPLIERS
- ITCHEN FITMENTS-SUPPLIERS
- KITCHEN FITMENTS-SUPPLIERS
 (a) Domestic-Supply only
 (b) Commercial—(1) Supply only
 (ii) Supply and fix
 FENCING & GATES (a) Sub-Contractors (b) Suppliers
 WC SCREENS & SIMILAR CUBICLES/METAL OR
 MELAMINE FACED PLY PRODUCTS
 PARTITIONS
 SIGNS & LETTERING
 INSULATION WORKS
 SUSPENDED & ACOUSTIC CEILINGS
 BUINDS
- BLINDS
 PAINT-SUPPLIERS
 LANDSCAPE & HORTICULTURAL WORKS
 ALL-WEATHER PITCHES

Application forms, on which applications to be included on the lists must be made, may be obtained from the Director of Planning & Architecture, Town Hall Annexe, Barking Road, East Ham, London E6 2RP. The form must be returned by Monday, 15th February 1982 if the application is to be considered for the initial lists. Firms may however, apply for consideration at any time thereafter but no firm which is not on the approved list at the time Tenders for a Contract are issued will be eligible on that occasion.

POPULAR REPUBLIC OF CONGO

MINISTRY OF PUBLIC WORKS AND CONSTRUCTION NATIONAL OFFICE OF TRANSPORTATION AND PUBLIC WORKS

CONSTRUCTION OF

LOUDIMA - BIHOUA - INDO ROAD NOTICE OF PRESELECTION

The Ministry of Public Works and Construction of the Popular Republic of Congo is planning to undertake the construction of the LOUDIMA-BIHOUA-INDO Road (77 km). The project is eligible for financing by the European Development Fund (E.D.F.). The project will consist of building a 2nd category road (11 m roadway, 7 m asphalt pavement) over a distance of about 77 km. The road consists of two sections:

Section I: LOUDIMA - BIHOUA: 57 km to be built entirely. Section II: BIHOUA - INDO: 20 km of existing road to be

The timing shall not exceed 24 months.

Participation in the preselection is open on equal terms to all individuals or legal entities and to associations of said entities, from member states of the European Community and the States of Africa, the Caribbean and the Pacific (A.C.P. States), which are signatories of the Lomé Agreement.

Interested enterprises may obtain the notice of preselection of contractors at the following addresses:

- REGIE NATIONALE DES TRANSPORTS ET DES TRAVAUX Boîte Postale no. 2073
- Brazzaville (République Populaire du Congo) Tel: 81.35.58. B.C.E.O.M. (M. THILLOUX) 15, square Max Hymans
- 75741 Paris-Cedex 15 (France) Tel: (1) 320.14.10. COMMISSION COMMUNAUTES EUROPEENNES Direction Générale du Développement
- Direction des Projets Rue de la Loi, 200 1049 - Bruxelles (Belgique).

The preselection application shall reach the Director General of the REGIE NATIONALE DES TRANSPORTS ET DES TRAVAUX PUBLICS at BRAZZAVILLE at the latest on 26th February, 1982, at noon, local time.

BOLTON **METROPOLITAN BOROUGH**

SITE FOR SUPERMARKET -WESTHOUGHTON TOWN CENTRE

Mizimum Development - 30,000 square feet Maximum Development — 50,000 square feet Site Area 6.78 acres approx.

Westhoughton is a rapidly developing town in the North West whose potential has been regarded as second only in importance to a designated new town. The intention of Bolton Council is to secure the provision of a much needed supermarket develop-

A lease of 125 years subject to a ground rent with 5-yearly reviews is being offered.
TENDERS OF PREMIUM AND GROUND RENT WILL BE

Brief but sufficient details for developers to assess their interest will be sent on request followed by full details and tender documents to those intending to tender. It is envisaged that development on site will commence in

November, 1982. The initial details can be obtained from the Chief Estates Surveyor, Arndale Chambers, Exchange Street, Bolton BL1 1RS, or by ringing Bolton (0204) 22311 Ext. 459.

THIS DISPOSAL IS DIRECTED AT ESTABLISHED SUPERMARKET OPERATORS

PORTUGAL

OIL EXPLORATION **ENGINEERING**

- 1. DRILLING MUD AND SERVICES
- 2. MUD LOGGING SERVICE

Petroleos de Portugal, E.P. (PETROGAL), the state oil company of Portugal, is concessionaire of six on-shore petroleum exploration areas in Portugal and has received a loan from the World Bank to meet part of the cost of its exploration project, which includes three exploration wells.

PETROGAL is now inviting proposals from tenderers for

- Drilling mud, chemical special products and engineering services according to mud programme included in tender documents for this purpose;
- Hydrocarbon well logging services, providing a land unit with a two-man crew performing the functions according to the tender documents.

The drilling activity is planned to begin on August 1, 1982. Documents for both tenders are now available from PETROGAL and contractors or suppliers interested in obtaining them should write to the address below until

- 1. March 5, 1982
- 2. March 12, 1982

which are the closing dates for the receipt of tenders. Bids shall be opened in the presence of tenderers or their representatives at 10.00 am on the following dates:

- 1. March 8, 1982
- 2. March 15, 1982
- at the following address:

PETROLEOS DE PORTUGAL, E.P. Direcção de Pesquisa e Produção Av. Fontes Pereira de Melo, 6-7th Dt. 100 Lisbon - Portugal

Telephone: 57 85 47 - 57 84 47 Telex: 12684 DPGALP P

BOTSWANA POWER CORPORATION

Morupule Thermal Power Station

Botswana Power Corporation intends to construct a Coal Fired Thermal Power Station adjacent to the Morupule Coal Mine near Palapye. The power station will house 3 x 30 MW turbine-generator sets which will be dry-cooled. Water for the project will be obtained from a well-field sited on the sandstones. of the Escarpment north-west of Serowe. The well-field is approximately 50 km from the proposed power station site and water will be piped to the site through a gravity main. Prior to commencement of the main Civil Engineering Contract a preliminary contract will be let to provide the following facilities:-

Contract BPC 1005 - Civil Engineering Works - Preliminary Contract. The clearing and terracing of approximately 200 ha for the power station site, construction of the 2 km site access road and the site roads, a rail spur, and a raw water reservoir. Additionally there will be the development of a small operators' the power station site conmately 20 units with associated roads and services.

Tender documents will be available for issue on 1st February 1982 and must be returned by noon on 31st March 1982. The successful tenderer will be expected to commence work by Slet May 1982. Contractors who wish to tender for this project should advise the Engineer Watermeyer, Legge, Piesold & Uhimann, Kanthack House, Station Road, Ashford, Kent TN23 IPP, England, (Telex 965436) of their intention by letter or telex by 26th anuary 1982. They should also state the location from which they wish to draw documents.

Documents may be collected from either the offices of Botswana Power Corporation, Badiredi House, The Mall, Gaborone, or the offices of the Engineer at 25, Buckingham Palace Road, London SWIW OPP. Alternatively documents can be air freighted directly to the contractor at his expense and risk. When collecting the documents the contractor will be required to make a deposit of Pula 200 (in London £120) for the set of

documents. This must be in the form of a cheque payable to the Botswana Power Corporation. The deposit will be returned to the Contractor on receipt of his tender. A set of documents will consist of 2 bound copies of each of Vol. 1 Conditions of Contract and Specification, Vol. 2 Bill of Quantities, Form of Agreement, etc., and Vol. 3 Drawings, plus a loose-leaf copy of Vol. 2 Additional copies of each of Vol. 2 and Vol. 3 Drawings, plus a loose-leaf copy of Agreement, etc., and Vol. 3 Drawings, plus a loose-leaf copy of Vol. 2 Additional copies of each of Vol. 2 and Vol. 3 Drawings, plus a loose-leaf copy of Vol. 2 Additional copies of each of Vol. 3 Drawings, plus a loose-leaf copy of Vol. 2 Additional copies of each of Vol. 3 Drawings, plus a loose-leaf copy of Vol. 3 Drawings of Vo Vol. 2. Additional copies of any volume will be available at a cost of Pula 50 (or £30) per volume but this fee will not be

ANNOUNCEMENTS

NATIONAL IRANIAN OIL COMPANY **ANNOUNCEMENT**

As some agents, middlemen and opportunists have lately attempted to appear as representatives of the NATIONAL IRANIAN OIL COMPANY NATIONAL IRANIAN CILL COMPANY concerning the sales of crude oil on the international market, and conduct some negotiations in this respect. NIOC, hereby, categorically denies such allegations and informs all concerned, that NIOC with regard to all its crude oil sales do not have any agent, representatives or brokers who may act on its behalf. Furthermore, all such transactions are carried out such transactions are carried out solely and directly only by NIOC.

CLUBS

EVE

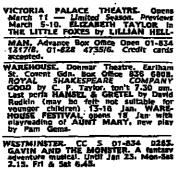
has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting

189 REGENT STREET 01-734 0557

THEATRES

IPSTREAM. 928 5394. From 29th Dec-Family Musical YOU'RE A GOOD MAN

AUDEYILLE. CC 01-836 9988. Eves 8. Wod Mats 2.45. Sats 5 6 8. GORDON IN AGATHA CHRISTIE'S CARDS ON THE TABLE. SORRY. No reduced prices from any source but seats beotable from £2.50. TICTORIA PALACE. CC 01-828 4735-6.
01-834 1317 Eves 7.30. Mats Mon.
Tues. Wed. Thura & Sat at 2.45.
JOHN (MMAN. ARTHUR LOWE. IAN
LAVENDER IN MOTHER GOOSE, Gross
4163 01-379 5081 & Tsipdata 01-200
0200 (24 hours).



WHITEHALL, 50x off. tel 01-839 6976 01-930 8012-7755. CC 01-930 6693-6694. Group sales tel 01-379 6061 Whitehell's lifest farce Anyone For DENIS? by JOHN WELLS. Directed by DICK CLEMENT. MON-SAT EVES 8.15 pml. MAT SAT 5.00 pm.

WYNDHAM'S, 5 836 3028. CC 378 6565. GP reductions 556 3962. COLIN BLAKELEY. ROSEMARY HARRIS IN ARTHUR MILLER'S ALL MY SONS. Directed by MICHAEL BLAKEMORL. Mon-Fr 7-30. Sat 4-30 6 8-00. Wed mat 2-30.

anuary 11. 1982.

COMPANY NOTICES

TEIJIN LTD.
NOTICE TO HOLDERS OF BEARER
DEPOSITARY RECEIPTS ("BDRS") NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS ("BDRS")

NOTICE 15 HEREBY GIVEN to holders of BDRs that Teijim Ltd. paid a dividend of V5 gross per share on 16th December, 1981 to shareholders on the company's register at the close of business on 30th September, 1981. This dividend has been converted to U.S. dollars and amounts to U.S. dollars and amounts to U.S. dollars 0.11103 gross per BDR. Accordingly. Banque internationale a Luxembourg S.A. as Depositary informs holders of BDRs that they should claim their dividends up presenting Coupon 182. Set one of after of the Depositary. Set one of after of the Depositary. Set one of the Office of the Agent, Hill Samuel and Co. Ltd., 100 Wood Street, London EC2P 2AJ.

Coupons must be left for four clear business days for examination, and may be presented on any weekday (Saturdevs and sublic hours and the coupons artising from BDRs, Issued in London, must be presented separately from those issued in London, must be presented separately from those issued in London, must be presented separately from those issued in London, must be presented separately from those issued in London, must be presented separately from those issued in London, must be presented separately from those issued from the gross value of all dividends paid unless the BDR holder lodges, in a form acceptable to the Depositery, an ambount of residence in a country having a tax breaty or agreement with Japan providing for a lower rate will be applied.

BANQUE INTERNATIONALE A EUNKENBOURG Societe Anonyme Deositary

NOTICE OF RATE OF INTEREST BANQUE EXTERIEURE D'ALGERIE US\$55,000.000 FLOATING RATE SERIAL NOTES DUE 1969 In accordance with the provisions of the Reference Agency Agreement petween Banque Exterieure d'Algerie and Citibank. N.A., datted as di 8 June. 1979, notice is hereby given that the Rate of Interest has been fixed at 15½00, and that the Coupon Amount payable on July 12. 1982, against Coupon No. 6 will be USS 782.45 and that such amount has been computed on the actual number of days elapsed (181) divided by 380.

BY: CITIBANK N.A., LONDON January 11, 1982.

Agent Bank

ART GALLERIES

MATHAF GALLERY, 32 Mottomb Street, London, SW1. Tel. 23S GG10. Specialists in 19th Century and Contemporary Paint-ings in ARABIA. WHITECHAPEL ART GALLERY, White-chapel High St. 337 0 107. Tube Aldgare East. To 24 Jan. BRITISH SCULTPURE IN THE TWENTIETH CENTURY, Part II 1951-80. Sun.-Fri. 11-S. cl. Set. Adm. £1 (50g), Free Mon. 2-8.

COMPANY NOTICES

GADEK (Malaysia) BERHAD

(incorporated in Malaysia) Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members of the Company will be held at Suite 1804/5, 18th Floor, Campbell Complex, Jalan Campbell, Kuala Lumpur, 18th Floor, Campbell Complex, Jalan Campbell, Kuala Lumpur, Malaysia, on Saturday, 30th January, 1982, at 10.30 am, for the purpose of considering and, if thought fit, to pass the following Resolutions as Ordinary Resolutions:

RESOLUTION NO. 1

That the authorised Share Capital of the Company be increased from MS 3,500,000 divided into 3,500,000 Shares of MS 1 each to M\$ 100,000,000 divided into 100,000,000 Shares of M\$ 1 each. RESOLUTION NO. 2

That subject to the passing of Resolution No. 1 a sum of M5 5,737,058 (being part of the amount standing to the credit of capital reserve) be capitalised and that the Directors be and are hereby authorised to apply such sum in paying up in full, at par, 5,737,058 shares of MS I each and to appropriate and distribute such shares allotted and credited as fully paid up to and amongst the Shareholders registered on 22nd February, 1982, in the proportion of two (2) new shares for each issued share held and that such shares will rank pari passu in all respects with the existing shares of the Company except that they shall not rank for dividend in respect of the financial year ended 31st December.

By Order of the Board OH KIM SUN MAK HING KWAI Secretaries

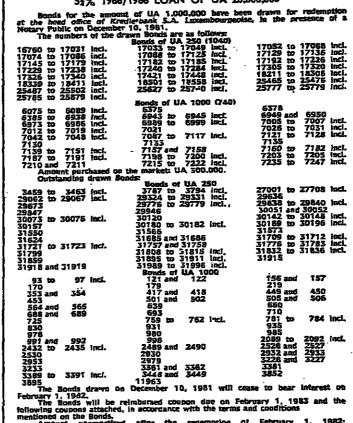
Ladang Pinji Lahat, Perak

> Dated this 11th day of January, 1982 NOTES

(1) A Member of the Company entitled to attend and vote at the A Member of the Company entitled to attend and you at the meeting is entitled to appoint a proxy or proxies to vote in his stead. A proxy need not be a member of the Company but unless he is, then by the provisions of Section 149 (1) (8) of the Companies Act 1965, he must be a qualified legal practitioner, an approved company auditor or a person approved by the Registrar of Companies.

The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the time set for the meeting.

EUROPEAN COAL AND STEEL COMMUNITY - ECSC 51% 1966/1986 LOAN OF UA 20,000,000



February fellowing coupons attached, in accordance with the fellowing coupons attached, in accordance with the mentioned on the Bonds.

Amount unamortized after the redemption of February UA 5.700,000.

Luxembourg, December 29, 1981.

NOTICE TO HOLDERS OF	EUROPEAN DEPOSITAL	RY RECEIPTS (EDRs) IN
NOMUS	ra securities co.	LTD.
Further to our Notice of that Nomura Securities Co.,	September 25. 1981,	EDR holders are informed
that Nomura Securities Co.,	Lad. has paid a divi	dend to holders of record
September 30, 1981. The Stock of Yen 50,00 per share	cash dividend bayable	is ten 7.00 per Common Los she Denocit Agreement
the Dopusitary has cunverte	d the net amount, af	ter deduction of Japanese
withholding taxes, into United	States Dollars.	
EDR holders may now pre mentioned agents.	seut Conbou May 1 to	n bahwent no me nwer-
Payment of the dividend wi	th a 15% withholding	tax is subject to receipt
by the Depositary or the A	gent of a valid amplevit	of residence in a country
having a tax treaty or agree withholding rate. Countries		
A.R. of Edwart F.R. of Ger	many The Netherlands	: Spain
Australia Finland	New Zealand	Sweden
Belgium France	Norway Pen of Korea	Switzeriand
Canada Ireland	Romania	U.S. of America
winholding rate. A.R. of Egypt A.S. of Egypt F.R. of Ger Australia Finiand Belgium France Brazii Hungary Canada Czechoslovakia Italy Demarik Malaysia	Singapore	Zambia
Denmark Malaysia Failing receipt of a valid at		
at the rate of 20% on the	gross dividend payabi	e. The full rate of 20%
will also be applied to any of Amounts payable in respect of	dividents unclaimed after	P April 30, 1982.
Coupon No. 1	ross Dividend pa	yable Dividend payable panese less 20% Japanese
Coupon No. 1 G EDR denomination Div	idend less 15%, Ja	panese less 20% Japenese
1 000 shares 155	71 67 WITH THE T	9 12X Withinialing tax
1,000 shares USS Further to the notice of Oc shares (3 new for each 10	tober 7. 1981 concerni	ng the free distribution of
shares (3 new for each 10 thares are now available to	old), EDR holders &	re informed that the new
Coupon No. 2 to the Depo	situry or the Asiant.	EDRs will only be issued
i in Authorised Venominations	of 1.000 shares than	eftre any EDR holder not
able to present coupons ma the net proceeds of the sa		
the net proceeds or the same pursuant to Condition 5 of the		in dutted States holists
Dancellona		Agent:
Cidbank, N.A 336 Strand, London, WCZ	D 1 LB CIDEN	k (Luxembourg) S.A.
330 30 200, LD0000, WC4	W 1115 10 W	CONTENDICE I LICENSE

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN TSUBAKIMOTO PRECISION PRODUCTS CO., LTD. to our Notice of September 18. 1981, EDR holders are informed ubakimoto Precision Products Co., Ltd., has paid a dividend to holders of September 30, 1981. The Cash dividend payable is Yen 5.75 per of Stock of Yen 50,00 per share. Pursuant to Clause 8 of the Deposite the the Depositary has converted the net amount, after deduction of the withholding taxes, late United States Dollars, olders may now present Coupon No 2 for payment to the under-Common Stock of reviews has converted and appeared to the positive has converted and appeared to the property of the property Dividend payable less 15% Japanese withholding tax USS219.16 10.000 shares US\$257.84 Agent:

Citibank (Luxembourg) S.A.

16 Avenue Marie Therese Citibank, N.A. 336 Strand, London, WCZR 1HB January 11, 1982.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN MINEBEA CO., LTD.

EOR holders may now present Coupon No. 1 for payment to the undermentioned sgents.

Payment of the dividend with a 15% withholding text is subject to receipt by the Depositary or the Agent of a valid attidaylt of residence in a country having a text treaty or agreement with Japan silving the benefit of the reduced withholding rate. Couptries currently having such arrangements are as follows:

A.R. of Sayet F.R. of Germany The Netherlands Spain Spain Finland Reiglium France Hungary Rep. of Korea United Kingtom Canada (reland Romand) Singapore Withholding text will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% on the gross dividend payable. The full rate of 20% Amounts payable in respect of current dividends.

Coupon No. 1 for payment to the undermentation No. 1 for payment to the undermentation in a 15% Japanese less 20% Japanese 1 payment to the undermentation in a 15% Japanese 1 payable less 20% Japanese 16% Japanes U\$\$26.90 Ospositary: US\$26,90 Citibant, N.A. 336 Strand, London, WC2R 1HB 17, 1982.

EUROPIMA

European Company for the financing of Railway Rolling Stock
71% 1973/1988 LOAN OF US\$20,000,000

Bondholders are informed that on Detember 14, 1981, Bands for the amount of US\$700,000 have been Lrawn for redemption.
The Bonds will be reimbursed at par. Coupon No. 10 and following attached, as from February 15, 1982.
The drawn debontores are those, not vet praylously redemand, included in the following range: 12763 to 15228 Incl.
Amount boount on the market US\$1.300.000, Amount gustanding: US\$12,000,000.
Luxembourg. December 29, 1981.

K R E D 1 E T 8 A N K S.A. Luxembourgeoise. EUROPIMA

APPOINTMENTS

Dr Fred top man at Thorn EMI Security

Twickenham, which was formed Thorn EMI nucleonic instru-to co-ordinate the company's mentation company, Nuclear international operations in fire Enterprises. and crime prevention. These are carried out principally through AFA-Minerva and Unique Fire Protection.

Mr C. M. McCarthy has been appointed group financial director of BOWTHORPE HOLDINGS PLC with effect from January 1. He succeeds Mr G. Bastiaus, who is approaching retirement age but who will continue as a director of the electronic and electrical components group with responsibility for investment and related functions.

Mr Gerald Long has been appointed to the main board of STEPHENSON BLAKE (HOLD-INGS). He retains responsibility for the South Wales works of the group's major subsidiary. Bramber Engineering, which manufac-tures steel springs for the motor car industry.

Mr Bryan J. McGinity has been appointed marketing director of MINTEX with effect from January L

Thorn EMI Technology has appointed Mr Charles Coles as managing director of SE LABS (EMI), Feltham, a subsidiary engaged in data recording, computer peripheral devices, com-

Dr Frederick J. Westlake has puter communications equip-been appointed chief executive ment, and instrumentation. He is of THORN EMI SECURITY, also managing director of the

> Mr G. E. McWatters has re-signed as chairman of Norris Industries Rushden in advance of his retirement as chairman of WARD WHITE GROUP on March 17. Mr J. W. E. Sharp has been appointed executive chairman of Norris Industries Rushden and Mr L. Tillotson administration director. Mr-W. R. Landmann has resigned as a director of Ward White Group and as chief executive of the engineering division, but continues as managing director of Norris Industries Rushden.

Mr P. W. Longland, chairman of Worms, has joined the board of RESERVE ASSET MANA-GERS and has been elected chairman, succeeding Mr R. D. Whithy, who remains on the board as a non-executive director. Mr R. E. K. Hutton has been appointed joint managing direc-

Mr. Peter J. Attwood has been appointed director of MEARA GIBSON, insurance brokers.

Sir Hugh Fraser and Mr David Maitiand have been appointed to the board of GRA PROPERTY TRUST, as non-executive direc-

Lorry bans in London 'no solution,' says RHA

BY LYNTON MCLAIN, TRANSPORT CORRESPONDENT

LORRY BANS in London would result in the nuisance and congestion of lorries being transferred from one place to another "with no environmental benefit," the Road Haulage Association says today in its evidence to the Greater London Council's independent inquiry into bans on lorries in the

The RHA was refused independent representation by the GLC on the inquiry panel. Instead the association which represents 15,000 road haulage companies, has had to be represented jointly with the Freight Transport Association, the trade group which represents company - owned transport operations.

The refusal caused the RHA to say in its evidence that "there could be little confidence in an inquiry panel which excluded the main lorry operating association."

Suitable by-pass routes must exist to accommodate lorries diverted as a result of the proposed ban, the RHA says. At the moment these by-pass routes do not exist in London, which is a "classic case" of a city without alternative lorry routes.

"Unreasonable curbs on

because the circular route men- Britain."

tioned by the terms of reference on or near the administrative boundary of the GLC " does not exist and will not exist until the M25 orbital motorway is completed around London in 1986. Other criticism of the GLC's

proposed lorry ban include the effect of such a ban on road wear, damage to buildings, pavement and underground services. Bans based on the weight of forries would increase, rather than reduce road damage, the RHA says. This is because a ben on heavy lorries would result in the goods being carried in 8 ton, 16 ton or 24 ton gross weight vehicles. More of these lorries would be on the roads to carry the same goods and the damage to roads would increase.

The RHA also rejected the idea that buildings and pavements are damaged by lorries. Also, "there is no evidence that lorries contribute to damage of

In conclusion, the RHA insists that the heavy lorry contributes a great deal to the quality of people's lives, especially in terms of the availability. the variety and the prices of goods

The association is particularly freight movements by road and scathing about the terms of the artificial diversion of traffic : reference of the inquiry, which it describes as "hypothetical," the economic interests of : the economic interests

Factory for Peterborough

THERM - A - STOR, the double- biggest projects for the city glazing manufacturer, is to build a factory, warehouse, and office complex in Peterborough Cambridgeshire, providing over 500 new jobs there over the next three years.

Work on the development Road. It will be one of the

since the Government expansion scheme started 11 years ago.
Therma-Stor, owned by MG
Thermal and Acoustic Efficiency, of Perivale, Middlesex. already has a factory in Peter borough employing 150 people. The development was originally will start this month at a 15- planned two years ago but was acre site near the Great North postponed because of the reces-

Food poisoning on the increase

than 23m lost working days each year and the annual total of reported cases has doubled in the past 10 years, two environmental health officers claimed

Edward Routledge said in The Food Poisoning Handbook that despite food hygiene regula-tions in force for more than 20 years, they continued to find contraventions of the law in 70 per cent of the establishments they visited.

The number of notified cases of food poisoning continued to awareness, higher hygiene standards, and official pressure hensive local services.

FOOD POISONING causes more on food manufacturers caterers, they write.

Mental handicap yesterday. Mr Richard Foulger and Mr MOVE welcomed

PLANS TO transfer mentally handicapped hospital patients back into the community were welcomed yesterday by their Campaign for Mentally Handi capped People.

It said the plans, outlined in a Health Department reports rise despite greater public impetus yet towards replacing long-stay hespitals with compre-



Guaranteed Floating Rate Notes 1985 For the six months 11/1/82 to 12/7/82

The Notes will carry an interest rate of 1418% per annum Coupon Value US\$755.17
Listed on The Stock Exchange, London Agent Bank — National Westminster Bank Limited Leave

WORLD STOCK MARKETS

Dan	companies and Markets		WORLD STO	CK MARKE	TS		
on R	1981.2 Shock Sho		1981 S	1981-9	1981-2	HOLLAND	HONG KONG
	rdustr' is 868.55 881.78 881.92 885.38 889.52 ne Bods. 57.26 5831 87,1836.52 883.58 lineport. 588.87 388.66 576.48372.85 379.88 lineport. 187.85 187.51 188.12 181.80 182.85 lidingVol 42.650 42.470 51.57847.510 56.78 ay's high 872.15. low 858.92. lind. div. yield 2.	Dec. 1981-82 Since Crapill's n 51 High Low High Low 675.80 1924.95 824.81 1881.78 41.22 (27/62) 57.88 85.78 54.85 (1541.76) (27/62) 580.50 447.81 (35.63 447.88 19.25 (18/4) (35.63 (18/4) 81 (28/6) (18/4) (37/82) (18/4) (37/82) (47/83) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (28/4) (28/6) (Jan. Jan. Jan. Jan. Jan. 1983-82 AUSTRALIA All Ord. (4/1/80) Metal & Mines (1/1/89) AUSTRIA Gredit Aktien (2/1/82) SS.77 SS.82 (c) SEL2 SS.45 (5/1/87) SELGIUM Belgiun SE (61/12/65) B7.79 SS.0 SS.22 SS.46 SS.46 (5/1/87) SELGIUM Belgiun SE (61/12/65) B7.79 SS.0 SS.22 SS.46 SS.46 (5/1/82) SENMARK Copenhagen SE (1/1/78) DENMARK Copenhagen SE (1/1/78) DENMARK Copenhagen SE (1/1/78) SS.57 SS.82 (c) SS.77 SS.82 (c) SS.28 SS.46 SS.46 (5/1/82) SS.83 (2/1/81) DENMARK Copenhagen SE (1/1/78) DENMARK Copenhagen SE (1/1/78) SS.83 SS.1 SS.26 SS.26 SS.26 (18/82) SS.83 (2/1/81) SS.83 (2/1/81) SS.84 SS.46 (5/1/82) SS.85 (1/1/82) SS.85 (1/1/82) SS.86 (1/1/82) SS.86 (1/1/82) SS.87 SS.87 SS.87 (5/1/82) SS.87 SS.87 SS.87 SS.87 (5/1/82) SS.88 SS.87 SS.	1981/82	328.5 220.0 Mercedes Hig 245 337.8 251 Metaligesell 258 258 Metaligesell 258 258 Metaligesell 258 251 150.0 Preuesag 200.3 151 150.0 Rhein West Elect 150 238 281 Rolenthal 281 281 219.5 Schering 260 27.0 192.8 Semens 204 74.2 210 161.5 Varta 174.5 120.2 Veba 128 286.0 258 Verelh-West 259 160.0 119.5 Volkswagen 134 134 134 134 134 135 136	8-08 5.95 Bridge Oil	5.15 3.25.8A Brews 5.15 21.5 15.00.Tiger Cats. 21.5 3.55 2.50!Unisec. 3.43 Financial Rand US\$0.77\frac{1}{2} (Discount of 24\frac{1}{2}) BRAZIL 1981/62 Jan. 8 Price Cruz 1.90 0.76 Acesta. 1.60 11.85 3.05 Banco Bresit. 10.00 1.57 1 40 Banco ftau 1.55 4.89 1.80 Belgo. Min. 3.15 6.99 2.80 1.20 Petrobras PP 7.30 1.90 1.05 Pirelli OP 1.90 9.95 2.05 Souza Cruz 6.70 7.50 4.65 Unip PE 5.00 TEL AVIV Prices Change Company Jan 10 on the 1982 Bank Issurance and Finance Bank Leumi le Israel 1.854 + 19 IDB Bankholding 2652 + 16 Bank Hapoelim Br. 2652 + 16 United Mizrahi Bank 1.293 + 17 Gen. Mort. Sank Br. 1.295 - 1884 Land Development
) and s	### 1915 ###	85 8,24 9,52 71 13,60 11,52 Rises and Falls Jan. 8 Jan. 7 Jan. 6 Set Traded. 1,866 1,875 1,894 403 433 379 Wingh 40 45 1981-82 Jan. 8 High Low 1981-82 Jan. 8 High Low 522,71 482,58 (27,5) 283,37 (25,6) VE STOCKS Change Stocks Closing on traded price day iman Kodak 499,900 734 + 174 day 221,600 357 + 74 237,000 304 + 74 337,000 304 + 74	JAPAN** Dow Average (18:5:49)	1,555 Solvay 2,075 2,395 1,050 Traction Elect. 2,370 1,525 950 UcB	214.9 109.1 CCF 155 95 31.4 Creuset Loire 154.5 243.8 90.5 CCF 127.3 40.3 27.4 DNEL 40.3 1,340 760 Dumez 1,328 1,324 760 Dumez 1,328 1,324 760 Dumez 1,328 1,324 760 Dumez 1,328 1,324 760 Dumez 79.5 304 246 Lafarge 745 1,665 1,165 Legrand 1,514 60.3 25.4 Machines Buil 27.8 24,100 632 Metra 1,215 867 608 Michelin B 676 646 377.8 Moet-Hennessy 575 84.0 49.5 Moulinex 576 106 22.8 Perchiney 207.8 106 22.8 Permod Ricard 291 186.5 126 Parrier 142.4 184 112 Peugeot-SA 137.9 279.8 173.5 Radiotech 227 125.9 45.5 Rhone-Poulenc 227 125.9 440 Redouts 227 125.9 45.5 Rhone-Poulenc 225 125.9 45.5 Rhone-Poulenc 225 125.9 45.5 Rhone-Poulenc 225 125.9 45.5 Rhone-Poulenc 329 1228 222 322 329 1228 344 Telemech Elect 329 1228 247.5 300 149.5 Valoo 879.189	2.55 1.68 Pionesr Conc. 1.68 0.20 0.20 Queen Marg *t G 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.21 0.22 0.24 0.25 0.28 0.29 0.28 0.28 0.29 0.28 0.28 0.28 0.29 0.28 0.2	Africa Israel Inv

150 F.P. 4:1 165 US\$5.90 F.P. - 305 \$1 F.P. - 9 (67 F.P. 18:12 70 115 F.P. - 120 - F.P. - 5 46 F.P. 49

EQUITIES

FIXED INTEREST STOCKS

3 £25 - 261; 25 Caisse Nat. Des Asto. 16; Gtd. Ln. 2005 24

F.P. 25,2 103 103 Essex Water 10; Red. Pri. 1986 105

F.P. 107 102 Haslemore Est 9:a. Conv Urs Ln. 321 95 102

F.P. 100: 99; 3at wide 3dg. Sceiety 15; Eds. 24:11:82 983;

F.P. 78 64 Permine Comm. 12 pc. Conv. Urs. Ln. 1391 67

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MONEY MARKETS

Rates follow New York down

INTEREST RATES declined in however by the bad news that and cut its discount rate by 1 per an easing of Euro Swiss franc major financial centres last week, Smith St Aubyn, one of the cent to 14 per cent, and the rates.

London discount houses, had Lombard rate by 2 per cent to 15 in Amsterdam call money made a shattering loss on its ziltinfluenced by the easier trend in U.S. rates. The Federal funds overnight rate began at around 13½ per cent, but soon fell to the 12 per cent level, which appears to be a fairly critical point as far as world interest rates are concerned. The fall to 11½ per cent concerned. The fall to 11½ per cent in abundant supply of liquidity as cerned. The fall to 111 per cent abundant supply of liquidity as on Tuesday encouraged the downward drift in London rates to agreements with the Bundesbank, continue. London three-month totalling DM 15.5bn. interbank money finished the

In Paris the Bank of France week at 1547 per cent compared offered some FFr 17bn of funds with 15% per cent before the to the money market during the New Year holiday. Seven-day week, through official purchases funds were unchanged at 144 per of first category paper, at an uncent but the generally easier changed 141 per cent, while call trend prompted renewed hope of money eased to 151 per cent from a future cut in bank base rates, rather than the fears of an increase which dominated senti-The Belgian National Bank steadily reduced the rates on

ombard rate by 2 per cent to 15 In Amsterdam call money firmed slightly to 10 in per cent Major Swiss banks cut time from 10 in per cent, but the

COLIN MILLHAM

WEEKLY CHANGE IN WORLD INTEREST RATES

	LONDON	Jan. 8	change		Jan. 8	change	l
3	Base rates 7 day Interbank 3 mth Interbank	145,-1478	Unch'd Unch'd	NEW YORK Prime rates Federal funds 3 mth Treasury Bills 6 Mth. Treasury Bills	153, 12-121, 11,46	Unchid + 0.44 + 0.28	ľ
Į Į	Band 1 Bills Band 2 Bills		Unch'd	3 Mth. C D FRANKFURT	13,05	·+0.05	
•	3 Mith. Treasury Bills 1 Mth. Bank Bills		=	One Mth. Interbank	10.5 10.65 10.875	Unch d 0.20 0.175	Į.
		6.53125 6.53125	Unch'd Unch'd	PARIS Intervention Rate 1 Mth. Interbank Three month	1454 15 15	Unch'd !s !s	
	BRUSSELS One month Three month	15 15	_3 ₄ 58	MILAN	, 20; ‡ 20, *	_le Unch'd	ĺ,
	AMSTERDAM One month Three months	10 ; 10 ;	 - -	DUBLIN One month Three month	: :175g :181g	—78 —5g	

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market during the week. In other centres rates are generally deposit rates in the domestic money market, and their respective

3		Jan. 8			Jan. 8	change	l
•	LONDON Base rates	1412	Unch'd	NEW YORK	1534	Unchid	ľ
3	7 day interbank 3 mth interbank	15-14-18	∫ Ųngh'd	Federal funds 3 mth Treasury Bills	12-124	+6.44	J
-	Treasury Bill Tender	14.5701	-0.1112	6 Mth. Treasury Bills	.12,20	±0.28	į
L		143g-141g	Unch'd		13.05	·+0.05	ļ
,	Band 3 Bills	148	-	FRANKFUKI	10.5	Unch'd	ŀ
	3 Mth. Treasury Bills 1 Mth. Bank Bills 3 Mth. Bank Bills	14,6-14,6 14,6-14,6 144-146	į =	One Mth. Interbank	10.65 .10.575	0.20 0.175	ł
Ĺ	TOKYO	 	: — i	PARIS	1434	Unch'd	l
•	One month bills	6,53125 6,53125	Unch'd Unch'd	Intervention Rate 1 Mth. Interbank Three month	15 15	-ig	
	BRUSSELS One month Three month	15 15	_3 ₄	MILAN	20; ‡ 20; ‡	_le Unch'd	
-	AMSTERDAM One month Three months	10 ; 10 ;	.—/μ ,—/κ	DUBLIN One month Three month	! 175 ₈ 181 ₈	.—78 .—59	
		<u> </u>	<u>' </u>		<u>:</u>]	

LONDON MONEY RATES FT LONDON

ment until very recently.

Market perves were not helped short-term Treasury certificates,

BANK OF ENGLAND TREASURY BILL TENDER

45%

5 months U.S. dollars									
bid 13 5/8	1	offer 13 3/4							
6 months	. U.	S. dollars							
bid 14 9/16	I	offer 14 11/16							

INTERBANK FIXING

•91 days 92 day bills allocated in full at £96.27

minimun level .. ___17%__

The fixing rates (Jan 8) are the arith-metic means, rounded to the nearest one-sukeanth, of the bid and offered rates for S10m quoted by the market to

Sterling Cortificate

1982	of deposit	:	deposits	, pouge	Deposits	Deposits	Deposits	· Bills 🌣	Bills P	Bills &
Gvernight		1334.25	1438-1458			141g-145g	14-1459			
days notice		i	1458 1434	i		! ~ `		_		_
days of		l	-	!	-	! →	-	· -	! ~	
days notice		145a-147a	143:-1478	~-	_	1479-15	1414-1438		-	_
One month	15141	145a 147a	15	1634-16	15	153g			14 . 14 .	15%
Two months		1412 151s	-	16 kr-157g	1514	1558	1412	145, 1458	14	154,
Three months.	153a 154	1518-1512	15 <i>5</i> e	16 եր. 15 հա	15 <i>8</i> g	157g	1412	1458	14:-	15%
Six months		1548-15-2	153g	151a-1434	15-6	'	· ,		14 14 6	15
Vine months		. 15 a 15 kg		155 ₄ 15 ₃₈	15%	; -	_	_		
One year		154.1512	15 5 a	։ 15Կ։ 15Կ	1512	i — :	: — '	_		_
Wo years			1538			<u> </u>			<u> </u>	
	sisten and 6	- cook bour	e roven d	ave' patice	nthers eavi	n dave fiv	ad long-t	erm foral	authority i	mortrage

cent.

Approximate selling rate for one month Treasury bills 1454-1474 per cent; two months 1454-1472 per cent; three months 1474 per cent. Approximate selling rate for one month bank bills 1475 per cent; two months 1474 per cent; and three months 1475 per cent; one month trade bills 1574 per cent two months 1574 per cent; three months 1774 per cent. Finance Houses Base Rates (published by the Finance Houses Association) 1572 per cent from January 1, 1982. Clearing Bank Deposit Rates for sums at seven days' notice 1274-1272 per cent. Clearing Bank Rates for lending 1475 per cent.

Treasury Bills: Average tender rates of discount 14.6701 per cent.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Јап. в	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	italian Lira	Belgian Franc Convertible	Japanese Yen
Short term 7 days' notice Month Three months Six months One Year	1534-1512	12 tx 12 tg 12 tg 12 5a 13 13 ts 13 12 13 5c 14 5g 14 5g 14 12 14 5c	13-14 13-14 143-1518 1518-1512 16-1638 16-1638	101g-1014 1014 1019 1019-1054 1016-1014 1014-1014 1014-1014	3-31 ₂ 4-41 ₂ 8-k-8-k 85 ₈ -83 ₄ 834-87 ₈ 77 ₈ -8	978-10 10 1018 1018-1014 1014-1036 1014-1036	1478-1514 1478-1514 1518-1512 1639-1634 1754-1818 1814-1858	17-19 1758-20 201, 2138 2238-2318 2354-2438 2312-2438	17-22 18-26 23-12-28-12 23-24-14 22-23-12 19-14-20-12	53 ₈ -6 6-61 ₈ 61 ₈ -63 ₈ 61 ₈ -65 ₈ 61 ₈ -67 ₈

SDR linked deposits: one month 12-12's per cent: three months 12'-12's per cent; six months 13'-13's per cent; one year 13's-13's per cent.

ECU linked deposits: one month 13's-13's per cent; three months 14'-14's per cent; six months 14'-14's per cent; one year 14's-14's per cent.

Asian S (closing rates in Singapora): one month 13's-13's per cent: three months 13's-13's per cent; six months 14's-14's per cent; one year 14's-14's per cent.

Long-term Eurodollar two years 15-15's per cent: three years 15's-15's per cent; flour years 15's-15's per cent: three years 15's-15's per cent; flour years 15'

The following nominal rates were quoted for London dollar cartificates of deposit: one month 12.90-13.00 per cent; three months 13.15-13.25 per cent; six months 14.10-14.20 per cent; one year 14.30-14.50.

CURRENCIES AND GOLD

and £ firm

in quiet foreign exchange trading last week. Eurodollar inverest rates were little changed on balance, after fluctuating within a fairly narrow range for most of the time. A larger than expected rise in the U.S. money supply figures and comments by Dr. Henry Kaufman, of Salomon Brothers, about firmer U.S. interest rates, possibly challenging the peaks of 1981, pushed up U.S. interest rates and the dollar last Tuesday. On the other hand the improving liquidity position in New York, following the year end, produced quite a sharp fall in the Federal funds overnight rate leading to intervention by the Federal Reserve Bank to drain reserves by reverse repur-

hase agreements.
As European rates fell, partly in response to the situation in the U.S., the dollar rose to DM 2.2585 from DM 2.2470 against the D-mark; to FFr 5.73 against the French franc from FFr 5.70: to SwFr 1.8265 from SwFr 1.80 in terms of the Swiss franc: and to Y221.35 from Y319.70 against the Japanese yen. Sterling rose 90 points on the week to \$1.9190 and its trade-

The dollar improved against all weighted index on Bank of major currencies except sterling England figures, improved to 91.8 from 90.9. The pound was helped by the relative strength of London interest rates, and the than expected better supply figures announced during

Members of the European Monetary System showed little change, apart from a weakening of the Irish punt. The French franc replaced the punt as the strongest member of the system, fourth place behind the Dutch guilder and Danish krone.

The Belgian franc showed a slight improvement, but remained the weakest EMS currency, below the D-mark and Italian lira. Belgian interest rates fell during the week, including a cut in the Belgian National Bank discount and Lombard rates. The recent solution of Belgium's political crisis appeared to help the franc and allow the interest rate decline, but the market remained very nervous about the future prospects of the franc, renewing speculation of a devaluation within the foreseeable future.

Gold rose \$1 to \$400-401, after touching a low of \$3941-3951.

THE POUND SPOT AND FORWARD

Jan 8	sbiesq	Ciose	One month	p.a.	months	p.a.
U.S.	1.9130-1.9260	1.9185-1.9195	0.35-0.25c pm		0.77-0.67 pm	
Canada	2.2710-2.2825	2.27第-2.27第	per-0.10c dis		0.05pm-0.15	
Nethind,	4.72-4.77	4.75%-4.76%	2-11 ₇ c pm		5 1, 5 pm	4.41
Belgium	73.40-74.00	73.75-73.85	55-75c dis	— 10 <u>,</u> 57	135-165 dis	−8.13
Denmark	14.09-14.17	14.153-14.163	2½-Tore pm	1,38	4-21 _a pm	0.88
Ireland	1.2230-1.2280	1,2255-1,2270	0,22-0,32p dis	-2.64	0.80-0.98dis	-2.90
W. Ger.	4.31-4.35	4.33-4.34	2-11-pf pm	4,84	51,-47, pm	4.73
Portuga	124,90-126,20	125.45-125.75	25-185c dis	-10.03	75-410 dis	∽7.72
Spain	185,50-187.00	186.35-188.55	20-55c dis	-2,41	115-160 dis	-2.95
italy	2,310-2,327	2,321-2,323	1114-1414 line dis	-6,59	401 <u>, 441</u> dis.	-7.32
Norway	11.10-11.19	11.151-11.167	1½-2ore pm	1.07	41-31 pm	1.39
France	10.94-11.03	70,99-11.00	3-13c dis	-0.95	31,-41, die	-1.45
Sweden	10.60-10.66	10.64%-10.65%	3-Zore pm	2.82	63, 51,	. 2.23
Japan	420-428	4241- 5251,	3.65-3.35v pm	9.88	9.05-8.75 pm	8,38
Austria	30-20-30-40	30.2B-30.33	15-10gro pm	4.95	40-30 pm	4.82
Switz.	3.48-3.53	3.504-3.514	21-17-c pm	7.27	53-63 pm	6.13
-			f		05 30 03 30	

THE DOLLAR SPOT AND FORWARD

ι	Jan 8	pread	Close _	One month	p.a.	months	p.a.
i	UK†	1.9130-1.9260	1.9185-1.9196	0,35-0.25c pm		0.77-0.67 pm	1.50
,	irelandf	1.5620-1.5710	1,5650-1,5700	0.85-0.55c pm		1.80-1.50 pm	4.34
	Canada	1.1855-1.1875	1.1862-1.1885	0.19-0.22c dis		0.47-0.50dis -	
•	Nothind.	2.4720-2.4815	2.4720-2.4760	0.68-0.58c pm		1,87-1.77 pm	
•	Belgium	38.35-38.54	38.44-38.46	35-50c dis	-13.28	90-120 dis -	10.94
•	Denmark	7.3650-7.3845	7,3750-7,3800 .	0.10ore pm-0.15	d -0.04	0.50-1.00dis -	-0.41
-	W. Ger.	2.2520-2.2620	2,2580-2,2590	0.64-0.59pf pm	3.27	1.88-1.83 pm	3.28
	Portugai	65,40-65,80	65.40-65.55	25-105c dis	-11,90	65-235 dis -	-8.15
	Spain	97.15-97.60	97.20-97.25	25-35c dis	-3.70	70-25 dis -	-3,19
L	Italy	1,209-1,211	1,209-1,210	81 ₃₋ 91 ₂ lire dis	-8,93	27-29 dls -	-9.26
:	Norway	5.8100-5.8250	5.8100-5.8150	0.20-0.60pre dis	- 9.82	0.25pm-0.15d	0.03
	France	5.7100-5.7450	5.7275-5.7325	1.25-1.40c dis	-2.78	4,30-4,55dig -	-3.09
i	Sweden	5.5475-5.5585	5.5475-5.5525	0.55-0.35ors pm	0.97	1.15-0.95 pm	0.75
•	Japan	220,50-222,00	221.30-221.43	1.60-1.45y pm	8.27	4.00-3.85 pm	7.09
,	Austria	15.75-15.84	15.78 - 15.791	5-34gro pm	3.32	141 ₄ -111 ₄ pm	3,23
	Switz.	1.8210-1.8340	1.8250-1.8270	1.00-0.90c pm	6.24	2,23-2.18 pm	4.88
L	f UK	and Ireland a	re quoted in U		orward	premioms and	1

GOLD

	Ja:	1.8	Ja:	n. 7
	Gai	d Bullion (fine o	uncei	• •
Close	9 <u>7.7</u> 5	(£2061 ₂ -209; (£207-2071 ₂ ; (£207-594; (£208,030;	(\$59614-39714 :\$59714-39812 \$396.25 \$396.50	(£206 ³ 4·207 ¹ 4) (£207 ¹ 7·208) (£206,941) (£206,963)
	Gold	l Coins		
Mapielsaf	\$1151 ₂₋ 1161 ₂ \$97-107 \$496-499	(2514-5112)	\$409.410 \$210.211 \$105\2.108\2 \$43\4.44\4 \$410.411 \$97.97\2 \$114-115 \$114-115 \$96.106 \$493.496 \$387.390 \$5507.512	16213 (2-814) 12109 (3-110) (255-56 (3-1) (268 (3-25) (268 (3-25) (2514-314 (3-1) (250 (3-50) (250 (3-50) (250 (3-50) (250 (3-50) (2202 (203) (2202 (203) (2264 (2-257))

OTHER CURRENCIES

Jan. 8	£	, 8		£ Note Rates
Argentina Peso Australia Dollar Brazil Gruzeiro Finland Markka	1,7050 1,7070 247,76-248,76 8,348-8,366	: 0.8890-0.8895 129.32-129.97 4.3600-4.3680	Belgium Denmark France	61-83 14.10-14.22 10.97-11.07
Greek Drachma Hong Kong Dollar Iran Riai Kuwait Dinar(KD) Luxembourg Fr	10,954-10,969 151,60° 0,637-0,543	5.7160-6.7210 . 78.90° . 0.2817-0.2820	Germany	426.431 4.74.4.78
Malaysia Dollar New Zealand Dir. Saudi Arab. Riyai Singapore Dollar.	4,2865,4,2965 2,3275,2,3316 6,52,6,58 3,9135,5,9235	2,2370-2,2420 1,2140-1,8150 3,4290 2,0425-2,0445	Spain Sweder Switzerland	1251 ₂ -136 1651 ₂ -1951 ₄ 10.63-10.73 5.49-3.55
Sth. African Rand U.L.E. Dirham	1.8375-1.8395 7.01-7.07	0.9675-0.9585 3.6720-3.6740	Vnitad States Yugosiavia	1.90 ³ 4·1.92 ⁵ 4 88-93

Nethind.	2.4720-2.4815	2,4720-2,4750	0.68-0.58c pm	3.08	1,87-1.77 pm	2.94
Belgium	38.35-38.54	38.44-38.46	35-50c dis	-13.28	90-120 dis -	-10.94
Denmark	7.3650-7.3845	7,3750-7,3800	0.10ore pm-0.156	d -0.04	0,50-1.00dis	~0.41
W. Ger.	2,2520-2,2620	2,2580-2,2590	0.64-0.59pt pm	3.27	1,88-1.83 pm	3.28
Portugai	65,40-65,80	65.40-65.55	25-105c d/s	-11,90	65-235 dis	-8.15
Spain	97.15-97.60	97.20-97.25	25-35c dis	-3.70	70-25 dis	~3.19
Italy	1,209-1,211	1,209-1,210	81-92 lire dis	-8.93	27-29 dls	-9.26
Norway	5,8100-5,8250	5.8100-5.8150	0.20-0.60pre dis	-0.82	0.25pm-0.15c	0.03
France	5.7100-5.7450	5.7275-5.7325	1.25-1.40c dis			-3.09
Sweden	5,5475-5,5585	5.5476-5.5525	0.55-0.35ore pm	0.97	1,15-0,95 pm	0.75
Јарал	220,60-222,00	221.30-221.43	1.60-1.45y pm		4.00-3.85 pm	
Austria	15,75-15,84	15.78 - 15.791	5-31 gro pm		14 ¹ 4-11 ² 4 pm	3.23
Switz.	1.8210-1.8340	1.8260-1.8270	1.00-0.90c pm		2.23-2.18 pm	
			.S. currency. F			
		•				
disco	ounts apply to	the U.S. dolla	r and not to th	e Indivi	dual currency	7-

FORWARD RATES AGAINST STERLING 1 month 3 month 6 month 12 month

EMS	EUROPE#	AN CL	JRRE	NCY L	י דומנ	RATE
D-Mark Franch F Swiss Fr Japanese	ranc	3.5075 425	4.3175 11.003 3.4862 421.5	4.28375 11.035 3.4537 416.1	4.2309 11.1215 3.3962 407.9	4.1497 11.295 3.2786 393

S

	ECU central retes	amounts. against ECU January 8	from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40,7572	47,6449	+2.18	. +1.22	±1.5388
Danish Krone	7.91117	7.98303	+0.91	-0.05	∓ 1.6412
German D-Mark	2.40589	2,44805	+1.50	+0.54	±1.1077
French Franc	6.17443	6.20404	÷0.48	-0.48	±1.3733
Dutch Guilder	2.66382	2.68119	+0.65	-0.31	±1.5063
Irish Pust	0.684452	0.892142	+1.12	+0.16	+1.6688
Italian Urs	1300.67	1308.43	+0.60	+0.44	±4.7229
Change	s are for E	CU, therefore	positive chi	setonab epne	a

weak currency. Adjustment calculated by Financial Times. Sterling/ECU rate for January 8 0.584556

CURRENCY MOVEMENTS CURRENCY RATES

Jan. 8	England	Morgan Guaranty Changes	Jan. 8	Bank rate	Special Drawing Rights	Europea: Currenc Unit
Sterling U.S. dollar. Canadian dollar. Austrian schilling. Belgian franc. Danish kroner. Deutsche mark. Swiss franc. Guilder French franc. Lira	107.3 88.6 117.5 104.9 87.0 122.6 152.3 114.9	-32.4 +1.0 -16.3 +24.7 +8.1 -10.5 +48.8 +102.2 +19.7 -14.4 -57.5 +38.0	Sterling	12 14.74 6 ³ 4 14 11 7 ¹ 8 9 12 19	1.16174 1.37840 18.3938 44.7444 8.57190 2.62611 2.88112 6.66939 1405.71 257.516 6,77004	0.56455 1.08113 1.28351 17.1331 41.6449 7.98305 2.44606 2.68119 6.20404 1308.43 239.794 6.29755
Based on trade well Washington agreeme Bank of England in	est Deces	iber, 1971.	Spanish Pts. Swedish Kr., Swiss Fr., Greek Dr'gh.	11	113.153 6,45347 2,12483	105,329 6,00781 1,97684 62,5863

EXCHANGE CROSS RATES

Jan. 8	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFranc	Swiss Franc	Dutch Gulid'	italianLira	Ganadia Dollar	Belgian Fran
Pound Sterling	0,621	1.919	4,835	425.0	10.995	3,508	4.758	2322.	2,276	73.80
U.S. Dollar		1.	2,2 59	221.5	5.730	1,828	2.479	1210.	1,196	38.46
Deutschemark	0.231	0,443	10.20	98,04	2,536	0,809	1,097	555,6	0,625	17 02
Japanese Yen 1,000	2.853	4.515		1000,	26,87	8,253	11,19	5464,	5,355	173,6
French Franc 10	0.910	1.745	3,943	385.5	10.	3,190	4.327	2112.	2.070	67.12
Swite Franc	0.285	0.547	1,236	191,9	3,135	1.	1.356	662,0	0,649	21.04
Dutch Guilder Italian Lira, 1,000	0.210 0.431	0.407 0.826	0.911 1,867	89.53 183.0	2.811 4.735	0.737 1,511	2.000	488.1		-1
Canadian Dollar Beigian Franc 100	0.439 1.355	0,843 2,600	1,905 5,874	186.7 575.9	4.831 14.90	1,541 . 4,753	2.5 5.4	HAT	رُأَهُم (ا	20 1

"RIGHTS" OFFERS

	Issue 50 Renund. 1981'8 Stock of price 50 date Wigh Low	5 + 0
6	142 F.P. 23-12 29m 60pm C S R A\$1 2.5A6 Nii — Spm 1pm + Ceriton Real Esta 10p 5 15 Nii — Spm 17m + Ceriton Real Esta 10p 5 162 F.P. 25:12 21 1 183 173 Great Portland Estates 50p.	50 10 51 27 15pm
57 510.5 1.8 9.6 7.3	conscioning data penalty last day for dealing free of stamp duty.	o Figure

Renunciation date usually last day for dealing free of stamp daty. In Figure based on prospectus estimate. If Dividend rate paid or payable on part of capital: cover based on dividend on full capital. It assumed dividend and yield after scrip laste. In Interim since increased at resumed. It forecast dividend; cover based on previous year's samings. F Dividend and yield based on prospectus or other official estimate for 1951. Q Gross. I Figures assumed. I Cover shows for convenion of shares not now ranking for dividend or ranking only for restricted dividends. I Figures now ranking for dividend or ranking only for restricted dividends. I Figures to holders of ordinary shares as a "rights." ** Issued by stay of capitalisation. I shared to former preference holders. I Offered to over. If introduction. I issued to former preference holders. Afternant letters (or fully-paid). 9 Provisional or partly-paid allotment latters. ** With warrents. *† Desings upder special Rule. § University Securities Market. t Landon Listing. 2 Effective Issue price star scrip. † Issued as a tail comprising 33 Ordinary and E5 Loan 1986-68.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in	Annual Intere gross pay- interest able	i Life Minimum of Sun bond	
parentheses)	%	£ Year	
owsley (051-548 6555)	147 4-year	1,000 48	

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & **OVERSEAS FUNDS**



Arbettsort Securities (C.L) Ltd. (a)(C/h)
P.O. Box 294, St. Helier, Jersey. 0534 76077
Boller income 7st. 1858,999 0,9774 1 16.05
East Int. & Energy 1338 1638 404 105
Gor't Secs. 1st.(Cl) 57.6 70.34 +0.3 15.65

Righty Tst. Co. (Jersey) Ltd. gement Co. Ltd.

Investments (InM) Ltd.

P.O. Box 173, 1211 Genera 12, 010 4122 46628

500.50 42.55 6.75 Dec. 31 Heat Sub, day Feb. 1

DWS Doutsche Ges. F. Westpapiersp

u3.5 2.4 7.2 7.8 bd7.0 2.5 8.5 5.3

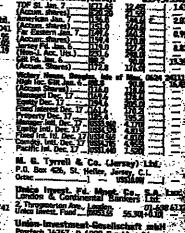
b4,51 3,915.1 2.1

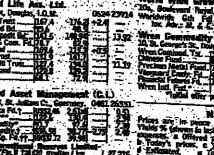
terzius | DM37.35 38.471-0.021 dl. Effekt. Fd. | DM62.19 54.84+0.07 Free World Fund Ltd. ment (U.K.) Ltd.

AULT Residence of the Edge 17.82 1.204 1.0

Schroder Life Group Enterprise House, Portsmo-interactional Parata Korea International Trust NAV (Won 7258.62) IDR Value

Signal Life As





Index included in subscription



May Ruberoid
July Ragby P. Cenest.
Oct. SGB Group
May Sharpe & Fisher.
Oct. Sheffled Brick
Jone Smart (J.) 10p.
Dec. Streeters 10p.
Nov. Tarmats 50p.
Oct. Taylor Woodrow.
Oct. Taylor Woodrow.
Oct. Taylor Woodrow.
Lay Taylor Woodrow.
Lay Taylor Woodrow.
Lay Taylor Woodrow.
May Taylor Woodrow.
May Taylor Woodrow.
May Woodrow.
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FINANCIALTIMES

Monday January 11 1982



Grade may quit Associated chair

munications Corporation, the time - have come at a time to block the suggested payment entertainment has been considering relinquish- a City row over a record coming the role of chairman and pensation payment to Mr Jack chief executive for some time, it emerged yesterday.

Associated is expected to make a statement today clarifying the future of its colour-

tained "I intend to continue playing my role as chairman and chief executive of the group until the year 2001."

The Post Office Staff Superanuation Fund, which holds But the renewed expectations that Lord Grade might be on the point of stepping down as chairman - which a senior Funds, and ten other institu- Associated under the terms of

Nato foreign

ministers

seek unity

over Poland

THE U.S. and its West Euro-

pean allies will make a deter-

mined attempt today to forget

recent disagreements and pre-

sent a united front demanding

an end to repression in Poland

and the restoration of talks

between the Government, the

free trade union Solidarity, and

But Nato Foreign Ministers, meeting in Brussels, will have

to tread carefully around some

difficult issues. Although the

U.S. and the Europeans have

a common view of what they

want to happen in Poland, they

are far from a common strategy

on how to achieve it.
In addition, the Greek Govern-

ment could cause havoc if it

attempts to prevent the meet-

similar in tone and substance

to the vigorous criticism of both

Poland and Soviet Union adopted by EEC Foreign

Mr Assimakis Fotilas, the Greek Deputy Foreign Minister,

was summarily dismissed only

hours after he endorsed the

statement, which the Athens government later said did not reflect its views. Subsequent

explanations imply that the

criticise the Soviet Union, to

promise not to undermine American sanctions, and to con-

These points, however, are

the major elements in the

recent harmonisation of views

between the Europeans and the

Americans which the U.S. is

anxious should be proclaimed in

erous Western economic re-

the restoration of pre-martial

Weather

UK TODAY

sible in many parts and may

Maximum temperatures: England and Scotland 1C (34F). Wales -1C (30F). N.

Outlook: Mostly dry with sunny intervals. Very cold. Wide-

WORLDWIDE

persist in a few places.

Ireland OC (32F).

spread frost.

would be conditional on

nctions

ier LLC

Warsaw and Moscow.

Ministers last Monday.

conglomerate, when Associated is embroiled in Gill, the group's former managing director.

This morning at 11.00 am, chairman and chief Slade in the companies court, to defend a payment of £560.000 Lord Grade has always main- to Mr Gill and a provision to

2.5 per cent of Associated's non-

campaign in support of the Labour Party's objectives, and

based on the model of the

successful "Mr Cube" company-

funded anti-nationalisation cam-paign of the 1950s and 1960s. The TUC might support the

The campaign is proposed in

a background document on finance and organisation adop-

ted by unions and the Labour

Party at their conference last

Herts. It is to be developed in the more detailed meetings

planned between senior party

and union figures over the next

months, when the details of the'

"treaty" of Bishop's Stortford will be thrashed out. Its efficacy

will stand or fall on those

The executive of the Trade

Unions for Labour Victory-the

details.

at Bishop's Stortford,

campaign, it is hoped.

BY JOHN LLOYD, LABOUR CORRESPONDENT

ing plans to mount a publicity to begin this work. Joint union-

chairman of Associated Com- has been considering for some ciated, is seeking an injunction to Mr Gill.

Mr Raiph Quartano, chief executive of the Post Office Staff Superannuation Fund. said it was working "night and preparing its case to Associated's legal representa-tives appear before Mr Justice payment, Today's proceedings in the Companies Court are expected to be adjourned for a fortnight to allow Associated more time to prepare its own case.

For each day the payment to Mr Gill is delayed the payment is earning a notional sum of voting shares, supported by the money. Interest of 6.25 per National Association of Pension cent is proposed to be paid by

Unions may launch major drive

UNION LEADERS are consider- ference—meets on Wednesday than deliberately-created unem-

party working groups are to be set up almost immediately.

led by Mr Eric Varley, the party

treasurer and shadow employ-

ment spokesman, and Mr Alex

Kitson, deputy general secre-tary of the Transport and

General Workers Union and

chairman of its finance com-

mittee. The group on organisa-

Moss Evans, general secretary

of the TGWU, and Mr Eric

Heffer, the leading left-wing MP.

The background document

says the union's publicity cam-

paign, which might cost between £1m and £2m, could begin this

autumn, "with carefully chosen subjects which are entirely or

predominantly industrial in character—public or co-opera-

tive enterprise as an alternative

will be led by Mr

The key finance group will be

to spell out Labour objectives

the £560,000 cash sum from of Associated, to Mr Robert December 7 last year, to the Holmes a Court, the Australian date of the payment. On that entrepreneur. basis Mr Gill to date is entitled

Trident Television, is "actively considering," suing Associated for breach of contract if the payment does not go through, according to his lawyers.

If Lord Grade decides to relinguish the role as chairman he may take on the role of life president of Associated. It has heen suggested he might be prepared to sell his crucial 27.6 per cent block of voting shares,

The report concedes that

such a campaign might "open

the door to the charge that we

are using industrial money for a political purpose" (and thus

falling foul of the 1913 Trade

Union Act). However, it con-

tinues: "We believe we still

have an entitlement to cam-

paign in this way on primarily

industrial issues in defence of

It suggests that the unions'

campaign be followed immedi-

ately by a Labour Party cam-

The report pays a tribute to

the "Mr Cube" campaign begun

in the 1950s by the sugar com-pany Tate and Lyle. "It attracted considerable public

interest and controversy and it achieved its purpose of bring-

ing to the attention of the man-

paign on the same themes.

our members interests."

ployment."

LORD GRADE, the 75-year-old member of the group says he tional shareholders in Asso- the compensation agreement on which give him effective control

Business interests of Mr to receive interest payments of Holmes a Court recently acover £3,400 on his settlement if quired nearly 51 per cent of the it is not blocked by the courts. non-voting shares in Associ-Mr Gill, 62, a consultant to ated. Lord Grade and other rident Television is activaly directors recently elected him to the board and allowed him to purchase 3 per cent of the voting shares.

There has been speculation that Mr Holmes a Court's Bell Group, the Australian publishing leisure, transport and finonce enterprise, is on the point of making a bid for the entire company.

Editorial Comment, Page 18

Halliday Simpson charges called for

By Ray Maughan

THE investigating committee of the Stock Exchange Council has recommended that charges be brought under the Stock Exchange disciplinary code against the seven former partners of the Manchester broking firm of Halliday Simpson.

The firm ceased trading last July after the council suspended Halliday's operations following allegations of regular share dealings which involved a former manager of the Chieftain Unit Trust.

The committee's report was delivered to the Council at the beginning of last week after nine months of investigation and was sent to Halliday's former partners on Friday. Its findings are understood to concentrate on the use of what is described as an "open" account, code-named P 42.

The committee is believed to have alleged that four partners made use of this account, as did three outside fund managers. These were the investment managers of Arbuthuot Latham, Sir Trevor Dawson and Mr Michael Barratt-who resigned their directorships from the last summer—and Mr Dawson, investment manager of the Kuwait Invest-

ment Office. external financing limit to accruing from substantial orders shareholders to support that placed by Arbuthnot and the KIO and booked through the open account were transferred to a series of client accounts. The investigating committee is thought to have discovered that the beneficiaries of these

accounts included the broking firms' own nominee companies. a private company owned by Sir Trevor and its subsidiaries, and a dealing company con-nected with Mr Barratt. One account was held in the name of Lady Caroline Dawson, Sir Trevor's wife.

The report is understood to recommend a total of 87 charges against former Halliday members, and three associate members, including a total of 17 charges against the former senior partner. Er David Garner.

These recommendations have now been passed to the Stock Exchange disciplinary committee for consideration. If the council decides to take further action it will not be in a position to make a further

statement until at least May. after a full bearing and, if required, the appeals procedure.

Continued from Page 1

Jenkins

fight two-thirds of the next 150 most winnable seats.

January 26. The SDP-Liberal Alliance was attacked yeslerday by the Prime Minister in an interview on BBC Radio's World this Weekend programme. attack indicated what is likely

know what it stood for. She said: "The SDP has been very careful not to say what they stand for because they do not agree. The vast majority of the SDP are the old Labour Party that gave in to the unions, gave the unions more privileges, that nationalised and monopolised, some of whom stood on the Grinwick picket lines, and who

familiar one of sticking to the present economic strategy. She said it was wicked to imply that anybody could be Lord or Lady Bountiful. More could not be spent without higher taxes.

inflation and on public expenditure but she could not go faster than Parliament and people would allow.

THE LEX COLUMN

New standards in accounting

Standardisation may be the aim of the UK Accounting Committee. Standards flexibility is the preference of a great many British companies up and down the land. From next July the ASC will have a new chairman. Mr Ian Hay Davi-son, to try to regenerate the flag-ging momentum of the standards programme. He is unlikely they are far too busy keeping their companies affoat to be distracted by the minutiae of accountancy. Yet if company profits recover this year, as they look like doing, and if the frequency of emergency measures like plant closures becomes less, Mr Davison may be operating in a slightly more promising en-

vironment than his predecessor Mr Tom Watts, whose main job has been to force industry to publish dire current cost results. At present the ASC is trying to produce its long-delayed currency translation standard next spring, and is preparing its battle lines over the leasing exposure draft, which is now

open for comment. But what are the other important areas for listed companies to which Mr Davison should be attaching priority in the next couple of

Quite a lot of effort is likely to be expended on a merger accounting standard, an old topic which is being revived now because the legal framework has changed following the 1981 Companies Act. Apart from that, it is possible to pinpoint four subjects, some simple and some highly complex, where substantial improvements are

long overdue. First a straightforward one. It is high time that companies were required to set out their past record of sales, profits and dividends in terms of pounds of constant purchasing power. Far too many companies still boast of "growth" when in real terms they have been shrinking -and not infrequently they It is alleged that profits call for new capital from will hate the loss of their ability to shelter behind the cosy illusions of inflation: out of 300 major companies whose reports are analysed annual

in the English Institute of

five voluntarily disclosed such

of segmental reporting, where there is still no UK standardalthough one has long existed in the U.S. and the International. Accounting Standards Committee has now brought out IAS 14 which requires disto receive a very enthusiastic closure of sales, profits and welcome from finance directors, assets employed in each seg-who are prone to argue that ment. In the UK there are requirements under y law and Stock certain company Exchange regulations, but many companies still rely unreasonably upon the enormous latitude granted to them by the 1967 Companies Act to decide whether various activities are

> Third, a review is long overdue of the extraordinary items standard SSAP 6, which has been a particular source of anomalies in the past two years of corporate retrenchment and surgery. At the bottom line, of course, it does not make too much difference where the accountants draw the wavery grey line between "exceptional" and "extraordinary" items. But the decision can make a lot of difference to the level of published earnings, and to the pace timing of apparent

At least the 1981-82 accounts survey shows a little more consistency in some areas, if in a less conservative direction Reorganisation costs are treated as extraordinary in 87 per cent of cases rather than the 68 per cent recorded the previous year. There was more variation with redundancy costs, however, which were exceptional in 27 cases but extraordinary in

another nine. Lastly. the nightmare accounting for pension costs. The ASC has had its backroom boys working on this for years, but it is a subject bristling with technical difficulties, as well as one which risks serious professional rivalries between accountants and actuaries. Companies, moreover, are rejuctant to bring huge hidden commitments out into the open; of the 300 survey companies, only 41 even disclose their normal annual pension contributions, and just seven mentioned total pension International diversification has fund assets. Discretion is the aiready put it on a far less key word here, not Chartered Accounts' 1981-82 because many pension funds are

just published, only an heroic which strive to keep feeding

At least the ASC will very Another thorny area is that soon be taking the small step of publishing a specially com-Beyond that it may seek to push ahead with a disclosure standard within the foreseeable future. but one of Mr Davison's respon sibilities may be to ensure than a measurement standard. a far trickler proposition, is not shelved indefinitely.

Hongkong Bank

The imminence of the Monopolies Commission report on the proposed Royal Bank of takeovers prompted two glowing brokers substantially different or not. studies on the Hongkong and Shanghai Banking Corporation. Both Wood Mackenzie and Vickers da Costa recommend nurchase of the shares, either directly or through Royal Bank, whatever the Commission

Both brokers expect HSBC to come back with an offer worth around 250p. if clearance is given. This is roughly equival ent to net asset value and a fifth higher than the current worth of the suspended paper offer. Royal Bank's importance to HSBC as a further ann outside Hong Kong is well documented. But Vickers also develops the argument that Royal Bank could be used to prop up HSBCs shareholders' funds to deposits

Vickers contends that retentions have failed to match the growth in the bank's deposit base, particularly in Hong Kong. It reckons that transfers to inner reserves—estimated at one third of true profits—have been progressively drawn down to support the capital base and that, despite a recent rights issue nad property revaluation, the ratio could again be looking stretched a few years from now. Acquisition of the more conservatively financed Royal Bank would improve the ratio, so long as it is financed largely with paper. But this begs the question — not fully addressed in either study — of the longterm carnings dilution which could result from the issue of highly rated HSBC equity. demanding multiple than Hang Seng Bank, HSBC's 61 per cent survey of published accounts, bigger than the companies owned Hong Kong subsidiars.

in-the-street the attitude of its sponsors on a matter of public organisation of major unions to privatisation, for instance, or which called last week's con- possibly full employment rather interest," its says. Electricity supply industry urges wider discounts for large users

BY MARTIN DICKSON, ENERGY CORRESPONDENT

ment a plan to offer large power consumers industrial wider opportunities for price The idea is one of the main

recommendations in a review of the bulk supply tariff presented any statement issued after toto Mr Nigel Lawson, Energy

Secretary. Both Herr Hans Dietrich The Government asked the supply industry to look at the structure of the tariff over a Genscher of West Germany and Britain's Lord Carington will want to put a more positive year ago, amid mounting comgloss on Western reaction by plaints by industrialists that developing the idea of a genelectricity prices in the UK

covery programme for Poland those on the Continent. The report examines several alternative methods of pricing but is believed to come to the broad conclusion that there is nothing fundamentally wrong with the present system.

were substantially higher than

Nevertheless, it recommends some relief to large industrial users through changes to its load management system. This industrial · involves offering MOST PLACES will have a users discounts on their supvery cold, bright and dry day. Freezing fog patches are posplies if they agree to reduce

load management system—socalled category C-was intro-duced at the time of last year's Budget. This entitled users to additional discounts if they accepted much shorter notice before reductions-often less than an hour.

Category C was taken up by fewer companies than expected. however, either because of the the notice period. The idea now is to make

category C more flexiblecompanies longer notice and less reductions. This would mean a small reduction—possibly as much as per cent-in the price rises faced by companies this year. Electricity tariffs for both industrial and domestic consumers are due to go up from

April, probably by around 10 per cent.
The Government increased

THE ELECTRICITY supply their power load at times of by £45m the supply industry's As an initial concession to meet last year's price concesindustrialists, a new type of sions. The industry is likely to argue that similar assistance will be needed this time.

If the Government approves the plan it seems certain to be attacked by industry as an inadequate response to its comolaints. A report by a National

Economic Development Office task force last autumn said that while the price gap with France length and number of power and West Germany had narreductions or the shortness of rowed since the start of the year, the UK's biggest power users still faced prices which could be up to 16 per cent higher than in West Germany and up to 28 per cent higher than in France.

The report said category C load management had been adopted by around 60 per cent of the largest consumers eligible in the steel and chemical industries—but that the price reductions were partially offset by the cost of interrupting

Heavy truck sales plunge by 27%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT SALES of heavy trucks in the nearly 20 per cent from 1980.

their current form 40 years ago. The Society of Motor Manusuccess of the Japanese in the facturers and Traders said purpose-built van market. only 44,950 trucks of over 3.5 Although this sector of the tons gross weight were overall market fell 16.5 per cent registered in 1981.

This was nearly 27 per cent down on the 1980 total of 61,300, and almost 44 per cent below the peak of 79,856 in 1979. In the exceptionally competi- cent.

tive market generated by of the heavy truck market. previous 12 months.

Commercial vehicle sales

UK fell last year to the lowest Importers penetration rose from level since records began in 24.1 to a record 31.4 per cent.

The major factor was the —from 118,261 to 98,706 registrations—the Japanese increased unit sales from 19,042 to 25,291 and their share of the sector rose from 16 to 25.6 per

The UK industry has protested the sharp fall in demand strongly about this spurt and importers increased their share at the recent industry-toindustry talks between Britain Imports accounted for 10,795 and Japan, the Japanese agreed or 24 per cent of the heavy to restrict shipments of vans in trucks sold last year, against 1982. As a result their market 13.031 or 21.25 per cent in the share should fall to below 11 per cent this year. The bus and coach sector

totalled 217,903 last year, down suffered nearly as badly as the of 1980.

U.S. steel imports Continued from Page 1

heavy truck market last year Registrations fell 23 per cent. from 5,792 to 4,441, a level at which some UK bus manufacturers question their ability to

survive.
The car-derived van sector experienced a near-22 per cent fall from 74,912 to 58,594. Least affected by the overall decline in sales was the light four-wheel-drive sector, where sales were down only 4.5 per cept - from 11,745 to 11,212. Sales of Land Rovers and Range Rovers were down almost 17 per cent from 6,824 to 5,666.

The industry is hoping that sales of commercials will bounce back in 1982, but the year ended on a downbeat with sales in December off by more than 18 per cent at 13,510. Importers took 25 per cent against 16.7 per cent in the same month

This is to fulfil the new criterion in the guidelines on seats, that each party should have parily of MPs in the next House of Commons, The pasition will be reviewed at a national negotiating meeting on

to become a full-scale Tory offensive. She said the Alliance did not

killed off the grammar schools." Her main theme was the

Mrs Thatcher said she would have liked to be tougher on

A lesson in logic

If you have ever handled a building project you must have wondered at the logic of having the fragmented responsibilities inherent in traditional methods of building. You may think that you cannot avoid all that management input to try to ensure that you have the right building, at the right time, without blowing the budget.

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It is satisfied that it has not infringed the trigger-price ment for controlling the prices of imports to the U.S. It was announced on Friday that it is being abandoned.

Up to £300m worth of BSC business could be at risk - in addition to the danger that closure of the American market might lead to Continental steel producers concentrating their attention on Britain as they did at the time of the national steel strike.

Mr Ian MacGregor, BSC chair- London in mid-December the man, has warned Mr Patrick understanding had been foat mechanism, a voluntary arrange. Jenkin, Industry Secretary, that further attempts to defuse the the U.S. problem is likely to transatiantic steel row would be have a major influence on the made. BSC coporate plan.

suits being lodged by U.S. Steel, sion, however, that the Reagan Bethlehem Steel and Republic Administration's intention may Steel makes it clear that the be to use the steel suits as a Commission has been surprised political signal to caution Comfailure to avert the actions, reluctance to hack U.S. sanc-When Viscount Davignon and Mr Malcolm Baldrige, the U.S. following the Polish military Commerce Secretary, met in takeover.

There has been speculation The Brussels reaction to the inside the European Commis-

the U.S. Government's mainly governments over their tions against the Soviet Union